Par. 8.2.1.1.52
830

Friday,
7th November, 1952

PARLIAMENTARY DEBATES

HOUSE OF THE PEOPLE

OFFICIAL REPORT

PARLIAMENT SECRETARIAT
NEW DELHI

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THE PARLIAMENTARY DEBATES

(Part I—Questions and Answers)

OFFICIAL REPORT

HOUSE OF THE PEOPLE

Friday, 7th November, 1952

The House met at a Quarter to Eleven of the Clock.

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

DEBATING TEAM TO THE U. K.

*89. **Sardar Hukam Singh:** (a) Will the Minister of **Education** be pleased to state whether the Ministry sponsored to send any debating team of the Indian Universities to the United Kingdom;

(b) If so, how was the selection made of the personnel of the team?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) Yes, Sir.

(b) The selection was made on the basis of an extempore debate competition in which the nominees of Indian Universities took part.

Sardar Hukam Singh: What was the number of students sent?

Shri K. D. Malaviya: Three students were sent.

Sardar Hukam Singh: How many universities sent their representatives to this competition?

. **Shri K D. Malaviya:** Sixteen universities out of a total number of thirty-one were represented, but four of them could not come. So only twelve of them were in the competition.

Sardar Hukam Singh: Which are the universities to which the students selected belong?

250 P.S.D.

منسٹر آف ایجوکیشن اینڈ نیچرل ریسورسز اینڈ سائنٹیفک ریسرچ - (مولانا آزاد) : حیدرآباد یونیورسٹی ، علیگڑھ یونیورسٹی اور کلکتہ یونیورسٹی کے تین اسٹوڈینٹ سلیکٹ

[**Maulana Azad:** Three students belonging to the Hyderabad, Aligarh and Calcutta Universities were selected.]

Sardar Hukam Singh: How did they fare in U.K.?

Shri K. D. Malaviya: They are still there.

مولانا آزاد : تین مہینے کے لئے ان کا پروگرام بنا ہے -

[**Maulana Azad:** A three month programme has been drawn up for them.]

Shri Velayudhan: May I know, Sir, who is bearing the expenses of these students—is it the Government of India or the universities themselves?

. **Shri K. D. Malaviya:** The Government of India is bearing the expenditure.

Shri Veeraswamy: May I know whether there is any Scheduled Caste student in the team?

Shri K. D. Malaviya: I am afraid not.

DISPOSAL OF FOREIGN BUSINESS INSTITUTIONS

*90. **Sardar Hukam Singh:** (a) Will the Minister of **Finance** be pleased to state whether any foreign countries sold away their business institutions in India after the 15th August, 1947?

(b) If so, what was the amount remitted out of India on account of proceeds from such sales during the period from 15th August, 1947 to 15th August, 1952?

(c) What is the value of foreign investments in India from the 1st January, 1952 to the 1st October, 1952?

The Parliamentary Secretary to the Minister of Finance (Shri B. R. Bhagat): (a) Sixty-six foreign business institutions in India—64 belonging to U.K., 1 to Australia and 1 to Ceylon—were sold away to residents during the period 15th July, 1947 to 31st July, 1952.

(b) The total amount remitted out of India on account of sale of these institutions during the aforesaid period was Rs. 1,463 crores.

(c) Government have no information regarding the actual total foreign investment during the period but remittances received from abroad for the purpose of investment in India from the 1st January 1952 upto the 31st August 1952 amounted to about Rs. 35 lakhs.

Sardar Hukam Singh: Was any account taken of the total amount of foreign investment whether in business institutions or in Government securities since the 15th of August 1947?

Shri B. R. Bhagat: I have no information regarding that, because it is difficult to give the break-up of the figures. The Reserve Bank takes census of these investments periodically and the last census was taken in 1948, when a detailed break-up of the figures was given. As has been stated in reply to part (c) of the question, we have no detailed information regarding this.

Sardar Hukam Singh: When is the next census likely to be taken?

Shri B. R. Bhagat: It is difficult to say. Obviously it is difficult to have a census of investments at short intervals.

Sardar Hukam Singh: May I know whether there is any check on the flow of the capital repatriated from our country?

Shri B. R. Bhagat: Check is exercised by the Reserve Bank of India and it is done in various manners. As regards remittances of shares of companies incorporated in India, prior permission has to be taken of the Reserve Bank. As regards transfer of investments from the head office to the branches in India, it is done through various authorised agents and the Reserve Bank gets information regarding it.

Shri K. K. Basu: May we know whether these were outright sales or only partial transfer of shares?

Shri B. R. Bhagat: There were outright sales of some of the institutions.

Shri K. K. Basu: Were they sold in the normal market or at black market prices?

Mr. Speaker: Order, order.

Shri A. C. Guha: How many of these are agency firms, and how many are actual working firms?

Shri B. R. Bhagat: I want notice for that.

X-RADIATIONS

***91. Sardar Hukam Singh:** (a) Will the Minister of **Natural Resources and Scientific Research** be pleased to state whether any new discovery concerning X-radiations has been made by Shri C. V. Raman in the newly opened X-ray laboratory attached to the Raman institute at Bangalore?

(b) If so, what is this discovery and what are its potentialities?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) Yes, Sir.

(b) Prof. C. V. Raman has reported that as a result of recent researches carried out at the Indian Academy of Sciences, Bangalore a new and hitherto unsuspected type of X-ray reflection in crystals was found to have recorded itself in the X-ray plates. Further work is in progress.

Sardar Hukam Singh: Is it useful only in testing crystals or has any other use been found of it?

Shri K. D. Malaviya: Sir, these investigations are still being carried on and it is not possible to say anything conclusive about it just now.

COMMUNISTS

***92. Pandit Munishwar Datt Upadhyay:** (a) Will the Minister of **Home Affairs** be pleased to state whether in view of the open statements of the Communists, Government have made attempts to have an approximate idea of the number and kind of fire-arms with the Communists?

(b) Is it a fact that the Communists in any part of India submitted a list of fire-arms in their possession?

The Deputy Minister of Home Affairs (Shri Datar): (a) Yes.

(b) An inquiry was made on this point from all State Governments but information is still awaited from three of them. Replies so far received show that no such lists have been submitted by the Communists. I may also add that in an issue of the *Hindu* of the 5th instant it has appeared that 11 fire arms and 60 rounds of ammunition were delivered to the Assistant Superintendent of Police in Hyderabad District by a member of the Communist Party, who is also a member of the Legislative Assembly of Hyderabad.

Pandit Munishwar Datt Upadhyay: May I know, Sir, what is the number, according to the estimates of Government, of arms surrendered?

Shri Datar: It is not yet possible to specify the exact number, because information has yet to be received. Secondly Government are considering whether it would be in the public interest to mention the specific number in this House.

Pandit Munishwar Datt Upadhyay: May I know, Sir, whether they have any approximate idea of the number?

Shri Datar: Government have an approximate idea.

Shri K. Subrahmanyam: Has there been a change in Government's attitude *vis a vis* the Communist offer of surrender of arms?

Shri Datar: There is no change.

Shri B. S. Murthy: What are the Government doing in order to persuade the Communists to surrender fire arms that are with them?

Shri Datar: Government cannot do anything; it is for them.

Dr. Jaisoorya: In the last session the hon. the Home Minister said the total number was about 14,000. The Home Minister of Hyderabad said it is 2,000. The Chief Minister of Hyderabad recently said it is 600 to 700. On what basis are these calculations made?

Shri Datar: It is not possible to say on what basis the calculations are made. After all we are still in the realm of conjecture.

Dr. Jaisoorya: May I suggest there should be no conjecture.

Shri M. S. Gurupadaswamy: May I know, Sir, whether Government has collected any data as regards the number of Communists who are holding fire arms?

Shri Datar: No.

Shri Madhao Reddi: May I know whether Government have given any guarantee that persons who bring their fire arms to the police stations would not be prosecuted?

The Minister of Home Affairs and States (Dr. Katju): No such guarantee has been given; nor will such a guarantee be given.

Shri A. K. Basu: Is it a fact that all the statements are made from a pre-conceived notion about the possession of fire-arms?

Mr. Speaker: Order, order.

Shri Velayudhan: May I know whether Government have enquired how so many fire arms got into the hands of the Communists—through what sources?

Shri B. S. Murthy: Arising out of the answer of the hon. the Home Minister that no guarantee will be given to those persons who surrender their arms, what has happened to the gentleman who has handed over some fire-arms recently to the Chief Minister of Hyderabad?

Dr. Katju: That is a matter really for the State Government to decide. They will take all factors into consideration and see what is being done, what is happening and who are the people who are surrendering the fire-arms.

NATIONAL INCOME COMMITTEE

*93. **Shri S. N. Das:** (a) Will the Minister of Finance be pleased to refer to the reply given to my starred question No. 288 asked on the 29th May, 1952 and state whether the final Report of the National Income Committee has since been received by Government?

(b) If so, what are the important measures suggested by the Committee?

(c) Have Government considered the report and taken any decision on any important recommendations?

The Parliamentary Secretary to the Minister of Finance (Shri B. R. Bhagat): (a) No, Sir.

(b) and (c). The questions do not arise.

Shri S. N. Das: As a result of the recommendation made by the Committee in its first report, may I know whether any scheme of arranging for research in the field of national income by universities and research institutions has been evolved; if so, what steps have been taken to implement the same ?

Shri B. R. Bhagat: The question is still under examination.

Shri Bansal: How many meetings of this Committee have been held after the presentation of the last report?

Shri B. R. Bhagat: I want notice.

Shri S. N. Das: May I know by what time the Committee is expected to submit its report in view of the fact that the Committee stated in its first report that it was going to submit its second report early in 1952.

Shri B. R. Bhagat: Unfortunately it was delayed due to certain other preoccupations of the Members and also due to the fact that the Committee decided to examine the working of the National Sample Survey Scheme. Therefore, it was delayed and it is expected that by December next the report will be submitted.

Mr. Speaker: Mr. Mishra.

Shri L. N. Mishra: I wanted to know the time of the report.

Shri B. R. Bhagat: December 1952.

Shri Bansal: How is the staff of this unit engaged at present?

Mr. Speaker: The Members?

Shri Bansal: The staff.

Mr. Speaker: We will go to the next question.

COMPANY LAW REVISION COMMITTEE

*94. **Shri S. N. Das:** (a) Will the Minister of Finance be pleased to refer to the reply given to my starred question No. 555 asked on the 6th June, 1952 and state whether the views of the various State Governments on the report of the Company Law Revision Committee circulated to them have since been received and considered by Government?

(b) If so, what are the important recommendations of the Committee which have been accepted by Government ?

(c) Do Government propose to introduce any amending Bill during the present Session of Parliament ?

The Deputy Minister of Finance (Shri M. C. Shah): (a) and (b). The views of some of the State Governments addressed have been received and are under examination.

(c) No, Sir.

Shri S. N. Das: Pending the introduction of any consolidated or amending measure, may I know whether the Government has considered the recommendation of that Committee with regard to the reorganisation for the administration of this Act?

Shri M. C. Shah: All the representations received from the State Governments are under examination. All those recommendations will be tabulated, they will then be analysed, and then placed before the Economic Committee of the Cabinet. So it is not necessary to have any piece-meal legislation in the Company Law for the time being.

Shri S. N. Das: Pending the introduction of that amending measure in the House I want to know whether Government has considered the recommendation of the Committee for the reorganisation of administration of this Act.

Shri M. C. Shah: No, because comprehensive legislation is coming before the House very soon. As a matter of fact, the decision will be taken very soon and the Bill will be introduced by the end of the next Budget session and it will be referred to a Select Committee, as far as practicable, of both the Houses and will be taken up for consideration very soon. It is therefore not necessary to have any piece-meal legislation.

Mr. Speaker: His point is whether, before the legislation comes in, Government intend to introduce any organisational or other administrative changes. This is his point.

Shri M. C. Shah: I require notice for that, Sir.

Shri K. K. Basu: Does the Government propose to bring forward certain legislative changes or other amendments before the final Bill comes up?

Mr. Speaker: Does Government propose to bring before this House any amendments to the present law, pending the other Bill?

Shri M. C. Shah: No, Sir.

TRANSFER OF PARTS OF BIHAR TO WEST BENGAL

*95. **Shri A. M. Thomas:** (a) Will the Minister of **Home Affairs** be pleased to state whether the resolution of the West Bengal Legislative Assembly regarding the request for the transfer of parts of Bihar to West Bengal has come to the notice of the Government of India?

(b) Are the Central Government taking any steps for the implementation of the request?

(c) Are Government in a position to make a statement on the matter?

The Deputy Minister of Home Affairs (Shri Datar): (a) Yes.

(b) and (c). No formal communication has been received from the West Bengal Government. The matter will be considered when such a communication is received.

Shri A. M. Thomas: What is the portion of Bihar that is now sought to be surrendered to West Bengal?

Shri Datar: Enquiries will be made.

Mr. Speaker: He wants notice.

Shri H. N. Mukerjee: In view of the demand for re-delimitation of boundaries between Bihar and West Bengal, is Government contemplating the appointment immediately of a Commission to decide which area should go, on the basis of the principle of linguistic distribution of provinces, to West Bengal.

Shri Datar: No.

Shri A. M. Thomas: How did the Bihar Government receive the resolution passed by West Bengal?

Shri Datar: We are not in a position to know the opinion of the Bihar Government.

STANDARDS IN UNIVERSITIES

*96. **Shri A. M. Thomas:** (a) Will the Minister of **Education** be pleased to state whether comments and suggestions have been received from universities and State Governments to the Draft Bill for the co-ordination and determination of standards in universities?

(b) Have any protests been received from the universities or State Governments to the contemplated legislation?

(c) When do Government intend to introduce the Bill?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) Yes.

(b) Yes.

(c) The matter is under consideration.

Shri A. M. Thomas: What is the nature of the protests lodged by various universities and State Governments?

Shri K. D. Malaviya: The main objections of the State Governments, the universities, and the Inter-Universities Board were that the Bill infringes the autonomy of the Universities and encroaches upon the rights of State Governments.

Shri A. M. Thomas: May I know whether the Inter-Universities Board which met in Madras considered this question and whether the Educational Adviser to the Government of India attended that meeting?

Shri K. D. Malaviya: Yes, they met and considered this thing.

Shri A. M. Thomas: What is the resolution of the Inter-Universities Board regarding this?

Shri K. D. Malaviya: It is a long resolution that they passed, and it has made certain suggestions to the Government.

Shri A. M. Thomas: May I know whether there is any foundation in the reported statement that the Bill is going to be dropped?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): No.

Shri H. N. Mukerjee: May I know what is going to happen in regard to the implementation of the Radhakrishnan Commission's recommendations on University education?

Shri K. D. Malaviya: The whole question will be considered in a conference which is going to be convened very shortly under the chairmanship of the Minister of Education.

Shri H. N. Mukerjee: How long is it going to take, roughly?

Shri K. D. Malaviya: We have not yet fixed the date, but it is likely to be soon.

Shri V. P. Nayar: May I know whether the standards of universities will be determined with a view to making university education serve production and construction in the country?

Shri K. D. Malaviya: All these questions are likely to be considered.

Shri B. S. Murthy: In view of the large number of protests made by the universities, State Governments and the Inter-Universities Board, will suitable changes be made in the draft Bill?

Shri K. D. Malaviya: As I said, the Minister of Education is convening a conference consisting of representatives of the State Governments and the Inter-Universities Board so as to discuss this question further with them.

CAMBRIDGE SCHOOL CERTIFICATE EXAMINATION

***97. Shri S. C. Samanta:** Will the Minister of **Education** be pleased to state:

(a) the names of schools in India which hold Cambridge School Certificate Examination;

(b) how far Government have proceeded to replace the Cambridge School Certificate Examination by an All India Certificate Examination;

(c) whether any committee has been set up to prepare detailed scheme for the Indian Examination; and,

(d) what are the reactions of the public and public schools towards the proposal to replace the said examination?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) A statement containing the names of schools which prepared students for Cambridge School Certificate Examination in December 1951 is placed on the Table of the House. [*See* Appendix I, annexure No. 19]

(b) and (c). A conference of representatives of State Governments and others was called on 19th July 1952 to consider the replacement of the Cambridge School Certificate **Examination** by an all-India examination. This Conference suggested the gradual replacement of the Cambridge School Certificate Examination and appointed a committee to consider the matter in detail.

(d) The Public Schools are in favour of the Cambridge Examination being replaced by an all-India examination. The reactions of the public also appear to be favourable.

श्री एस० सी० सामन्त : क्या मैं माननीय मंत्रीजी से जान सकता हूं कि जो कान्फ्रेंस बुलाई गयी थी उसमें क्या यह तय हुआ कि किस माध्यम में आल इंडिया सर्टिफ़िकेट एग्जामिनेशन्स होंगे ?

श्री के० डी० मालवीय : यह कांफ्रेंस जो बुलाई गयी थी उस ने कुछ तजवीजें की हैं और उन का नतीजा यह हुआ है कि एक और कमेटी बनायी गयी है। यह कमेटी आज ही ग़ालिबन् बैठेगी या ११ बजे से बैठ रही होगी। वह इन तमाम मसलों पर ग़ौर करेगी।

श्री एस० सी० सामन्त : भारतवर्ष में जितने ऐंग्लो इंडियन स्कूल हैं, उन की इस तरह का बदलाव करने के विषय में क्या राय है ?

श्री के० डी० मालवीय : उनकी राय इस तरह के बदलाव के मुआफ़िक है और एक आल इंडिया सर्टिफ़िकेट एग्जामिनेशन का संगठन होगा और कैम्ब्रिज स्कूल सर्टिफ़िकेट एग्जामिनेशन की जो योजना है वह छोड़ दी जायगी।

श्री एस० सी० सामन्त : क्या इस प्रकार के बदलाव से कोई ऐंग्लो इंडियन असोसियेशन का स्कूल नाराज है ?

منسٹر آف ایجوکیشن اینڈ نیچرل ریسورسز اینڈ سائنٹیفک ریسرچ (مولانا آزاد) : کوئی بھی ناراض نہیں ہے -

[**Mulana Azad:** None has resented it.]

Shri Dabhi: In what ways does the Cambridge School Certificate examination differ in its standards from other equivalent examinations?

Shri K. D. Malaviya: I am not aware of that, but if the details are wanted by the hon. Member I will try to find them out.

Shri H. N. Mukerjee: Is it a fact that schools which hold the Cambridge School Certificate examination get a disproportionate amount of Government grant and, if that is so, is Government going to reconsider the position?

Shri K. D. Malaviya: I do not know if they are getting a disproportionate grant.

Shri H. N. Mukerjee: Would Government give us a comparative idea in regard to the grants given to these particular schools and to schools of a comparable description?

Shri K. D. Malaviya: Yes, Sir.

श्री एस० सी० सामन्त : जो कमेटी बिठाई गयी है, वह कब तक अपनी रिपोर्ट पेश करेगी ?

श्री के० डी० मालवीय : मैं ने अभी अर्ज किया कि वह कमेटी आज से बैठी है और अपनी रिपोर्ट जल्दी पेश करने की कोशिश करेगी।

PREVENTIVE DETENTION ACT

*98. **Shri B. K. Das:** Will the Minister of **Home Affairs** be pleased to state:

(a) the number of persons detained during the year 1952 under the Preventive Detention Act of the Centre as hoarders, smugglers or blackmarketeers of controlled essential commodities;

(b) the total number of such persons still under detention; and

(c) the number of such persons released so far during this year?

The Deputy Minister of Home Affairs (Shri Datar): (a) 48.

(b) 29

(c) 68

The figures given above indicate the position from 1.1.52 to 15.10.52.

Shri B. K. Das: May I have the break-up of figures of this 48 Statewise?

Shri Datar: There are only 10 or 11

Assam	2(a), 1(b) and 1(c)
Bihar	7(c)
Madhya Pradesh	1(a)—1(c)
Madras	2(a)—2(c)
Orissa	2(a)—10(c)
Punjab	4(a)—6(c)
U.P.	4(c)
West Bengal	36(a), 28(b) and 32(c)
Hyderabad	2(c)
Himachal Pradesh	1(a)—1(c)

(a) means number of hoarders, smugglers or blackmarketeers detained during 1952. That is according to the parts (a), (b) and (c) of the question and these figures are specified according to these parts.

Shrimati Renu Chakravartty: May I know, Sir, if the number at any time since its inception, has reached the maximum number of Communists during the same period?

Shri Datar: It is not possible to say.

Shri B. K. Das: What is the minimum and maximum period of detention in 1952?

Shri Datar: I would like to have notice.

Shri A. N. Vidyalankar: What kind of criterion was followed in deciding the release of these persons? Was any kind of undertaking or any kind of guarantee taken from them as was done in the case of political detenus?

Shri Datar: It was found that their detention was not necessary.

Shri B. K. Das: What is the number of persons who are continued in detention from previous years?

Shri Datar: But the number 68 includes (c) part prisoners detained upto January 1, 1952 and some of them have been released this year.

Shri B. S. Murthy: May I, Sir, know whether any allowance was paid to these detenus?

Shri Datar: I shall make enquiries.

Dr. S. P. Mookerji: May I know the number of persons detained since the passing of the Preventive Detention Act in the last session?

Shri Datar: It is not possible immediately.

Pandit Munishwar Datt Upadhyay: May I know, Sir, the period of detention of those persons who were released?

Shri Datar: I want notice

GRANT BY FORD FOUNDATION

*99. **Dr. Rama Rao:** (a) Will the Minister of **Education** be pleased to state what is the total grant given recently by the Ford Foundation to educational institutions in India?

(b) Who are the authorities in India who decide on the allotments to various institutions from this grant?

(c) Which are the institutions that have been given allotments from this grant and for what purposes?

The Deputy-Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) The Government of India have no information about the payment of any grants by the Ford Foundation to the educational institutions in India.

(b) and (c). Do not arise.

Dr. Rama Rao: Does the hon. Minister mean that there were no private transactions?

Shri K. D. Malaviya: There may be some private transactions but not through the Government of India.

Shri Velayudhan: Does it mean that the grants given by the Ford Foundation are not in consultation with the Government of India?

Shri K. D. Malaviya: So far as educational institutions are concerned, we were not consulted.

Shri B. S. Murthy: May I know, Sir, whether the Minister is aware that there is a Ford Foundation Institution in Madras and whether that is getting grants. What is the amount of grant it is getting from the Ford Foundation. Sir.

Shri K. D. Malaviya: We are not aware of this.

Shrimati Renu Chakravartty: What are the principles upon which the choice is made?

Shri K. D. Malaviya: Choice for what?

Shrimati Renu Chakravartty: For giving grants.

Shri K. D. Malaviya: Government have nothing to do with that. The Government of India do not know anything about this.

Shri K. K. Basu: We have grants made in kind, like foodstuffs, etc. and also the grant in cash, has Government any objection to grants in cash as to such in kinds?

COMMONWEALTH COMMANDERS' CONFERENCE

*100. **Shri Eswara Reddy:** Will the Minister of **Defence** be pleased to state whether the Commonwealth Commanders' Conference, scheduled to have been held in the last week of June 1952 in South England, took place?

The Deputy Minister of Defence (Sardar Majithia): Yes.

Shri Eswara Reddy: Were there any discussions about the military aspects in Korea and Malaya?

Sardar Majithia: No, Sir.

Shri Eswara Reddy: Authoritative sources said that one of the main subjects in the three day talks will be an examination of how the Commonwealth Division in Korea is functioning. Another topic will be strategy in jungle fighting in Malaya. I want a categorical answer.

Sardar Majithia: There is no information on the subject.

Shri B. S. Murthy: What were the subjects discussed and the decisions arrived at at the conference?

Sardar Majithia: I would refer the hon. Member to the answer given by the Defence Minister in the last session to Question No. 871 on the 16th June 1952.

Shri K. K. Basu: Was any commitment made by the Government towards the Commonwealth defence?

Sardar Majithia: That is already covered in the answer given in the last session.

Shri V. P. Nayar: Were there any discussions on global strategy at this conference?

Shri M. S. Gurupadaswamy: May I know whether the Conference discussed the armament requirements of each country in the Commonwealth?

Sardar Majithia: I have already given an answer on that point and the Defence Minister gave a very comprehensive answer in the last session There is nothing more to add.

Shri Punnoose: May I know whether atomic secrets were conveyed by the British to our Commanders?

Mr. Speaker: Order, order; next question.

INDO-U. S. AGREEMENT

***101. Shri P. T. Chacko:** Will the Minister of **Education** be pleased to state:

(a) the extent of the financial aid contemplated under the Indo-U.S. agreement under the Fulbright Act;

(b) the actual amount of aid India has so far obtained under the said agreement; and

(c) how, this amount, if any, was expended?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) According to the information available, a sum of Rs. 75 lakhs is contemplated to be spent under this scheme.

(b) Rs. 35,65,224/-

(c) Rs. 13,84,116/7/- on American Professors, Research Scholars, School Teachers and Graduate Students who have come to India during the years 1950, 1951 and 1952.

Rs. 10,19,239/13/6 on Indian Professors, Research Scholars, Teachers and Students who have gone over to America.

Rs. 4,09,855/8/9 on Administration.

Shri P. T. Chacko: May I know which are the educational and cultural programmes financed till now by the Fund made available under the Agreement?

Shri K. D. Malaviya: The educational and cultural programmes which are to be financed from this Fund are the studies, research and other educational activities for the citizens of America and India in these schools and educational and cultural institutions located in India or U.S.A.

Shri P. T. Chacko: May I know what exactly is the aid given to a person who is sent to America from India and to a person who is coming from America to India?

Shri K. D. Malaviya: There is some difference between the two. The students who are sent from here to America are provided only the transportation cost. But, the American students who come here or the Indian students who are in America and are given facilities there, get more than transportation charges, like lodging, boarding, fees etc.

Shri P. T. Chacko: What is the reason for this preferential treatment to persons who are sent from America to India?

Shri K. D. Malaviya: That is the agreement. It must not be forgotten that the money belongs to America the U.S.A.

Shri P. T. Chacko: What is the source of this fund?

Shri K. D. Malaviya: This fund has been created out of the sale proceeds of the American share of the property left behind after world war II.

Shri P. T. Chacko: May I know the total amount realised till now by sale of American surplus property?

Shri K. D. Malaviya: I have said that it is about 75 lakhs.

पंडित मुनीश्वर दत्त उपाध्याय : क्या माननीय मंत्री जी बतलायेंगे कि वह योजना कितने वर्ष के लिये है ।

منسٹر آف ایجوکیشن اینڈ نیچرل ریسورسز اینڈ سائنٹیفک ریسرچ (مولانا آزاد) : کوئی وقت مقرر نہیں ہے - جب تک یہ فنڈ کام دے گا -

[**The Minister of Education and Natural Resources and Scientific Research (Maulana Azad):** There is no fixed time-limit. It will continue, while this fund lasts.]

Shri A. N. Vidyalankar: What is the number of American professors, and technicians that have been invited to India and what is the number of Indian professors or technicians that have been sent there?

Shri K. D. Malaviya: I have not got the numbers of such scholars that have been given grants. But, I have mentioned the grants that have been given.

Shri Dabhi: What are the main provisions of the Agreement and also of the Fulbright Act?

Mr. Speaker: I think he may better see the documents.

Shri K. K. Basu: May I know whether in the selection of scholars the American Government or their agents here have any say?

Shri K. D. Malaviya: There are representatives of the USA Government and the Indian Government and they make the selection.

OLYMPIAD AT HELSINKI

***102. Shri V. P. Nayar:** Will the Minister of **Education** be pleased to state :

(a) how many competitors from India participated in the XVth Olympiad held recently at Helsinki;

(b) the number of Indian competitors who won medals at that Olympic Meet;

(c) the amount granted by Government for participation of Indian teams and athletes in that Meet; and

(d) the approximate total amount spent by India on that Meet, including charges for travel, board etc. ?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) Eightyone.

(b) Twelve.

(c) Rs. 1,25,000.

(d) Rs. 3,09,000.

Shri V. P. Nayar: What is the number of the actual participants in the games and those people, non-officials, who accompanied the team otherwise?

Shri K. D. Malaviya: I am not aware of the break-ups here. I require notice.

Shri V. P. Nayar: Is it with the knowledge that standards of games in India is far behind that they sent the team?

Shri K. D. Malaviya: That is the opinion of certain experts.

Shri V. P. Nayar: Did the Government lay down any rules as to the conduct of the officials abroad?

Shri K. D. Malaviya: I am not aware.

Shri V. P. Nayar: Is it a fact that some of our officials behaved in a very rude and reprehensible manner, off the track?

Mr. Speaker: Order, order. Next question.

Shri V. P. Nayar: Only one question, Sir. Is it a fact that two medalists from India have had to borrow money for their trip?

Shri K. D. Malaviya: I do not know.

Shri V. P. Nayar: May I know.......

Mr. Speaker: Order, order; he wanted to put only one question. Next question.

STANDARDS OF GAMES

***103. Shri V. P. Nayar:** Will the Minister of **Education** be pleased to state :

(a) whether Government have taken any steps for the general improvement of standard of athletics, gymnastics and games etc. in India;

(b) if the answer to part (a) above be in the affirmative, the steps taken so far; and

(c) whether any scheme for improving the standard of sports and games in the country will be incorporated in the Five Year Plan ?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) and (b). This subject is mainly the concern of State Governments, but the Government of India have been giving grants to all-India sports organisations.

(c) Yes.

Shri V. P. Nayar: What is the amount provided for in the Five Year Plan has made provision for these and games?

Shri K. D. Malaviya: The Five-Year plan has made provision for these schemes. But, no decision has been taken so far about the exact amount.

Shri V. P. Nayar: What is the channel through which this amount would be spent?

Shri K. D. Malaviya: No decision has been taken.

Shri V. P. Nayar: Having regard to the tremendous success of the USSR in the Helsinki Olympiad, will the Government consider the taking of help from USSR for the development of physical standards?

Shri K. D. Malaviya: That is a suggestion made by the hon. Member.

Mr. Speaker: It is a suggestion.

Shri K. K. Basu: In view of the recent achievements of the Indian team in certain branches of sports and also their colossal failure—does the Government propose to set up an All India Commission to enquire into the working of sports organisations?

Shri K. D. Malaviya: No, Sir.

Shri B. S. Murthy: What special steps do Government propose to take in order to improve the standards of our athletes and gymnasts?

Shri K. D. Malaviya: This is mainly the concern of the State Governments.

As an additional measure, we help the State Government and certain organisations with grants. That is all.

Shri H. N. Mukerjee: Has the attention of the Government been drawn to some very serious allegations regarding the conduct of our representatives in Helsinki, the allegations being made by people like the Congress Secretary of West Bengal, who went as the manager of the boxing team—for heaven knows what reason. Has the attention of the Government also been drawn to a fact which allegedly humiliates India's position, namely, that at the conclusion of the games the Indian flag was left, so to speak, abegging, and there was no representative of the Indian team to carry aloft the flag of India and some finish athletes had to come forward to do that?

Shri K. D. Malaviya: I have heard a small part of that when I was in Bengal. All that I have not heard.

Shri H. N. Mukerjee: One supplementary, Sir.

Mr. Speaker: He has said that he heard something like that when he was in Bengal.

Shri K. K. Basu: With reference to part (c) of the question, does the Government propose to contribute towards the establishment of stadiums in the important cities of India?

Shri K. D. Malaviya: It is a suggestion.

Shri B. S. Murthy: One question, Sir, and that is a very important one. Apart from physical education being the concern of the State Governments, now that the Central Government is making some money grants, may I know the steps that the Central Government is taking to see that the standards of physical education in India are improved.

Shri K. D. Malaviya: This question, as I said, has been considered in the Five-Year Plan. We may make certain suggestions as pointed out by the hon. Member.

Mr. Speaker: Next question.

Shri H. N. Mukerjee: Only one question, Sir.

Mr. Speaker: Let us go to the next question.

REDUCTION OF GAZETTED AND NON-GAZETTED APPOINTMENTS

***107. Shri A. N. Vidyalankar:** Will the Minister of **Finance** be pleased to state:

(a) the number of gazetted and non-gazetted appointments brought under reduction in various Ministries of the Government of India since 15th August, 1947, and the amount of salary saved thereby;

(b) the number of similar appointments that have been newly created in various Ministries during this period;

(c) the amount of expenditure that has increased due to the new appointments; and

(d) what steps Government have taken to curtail the expenditure on Government services?

The Minister of Revenue and Expenditure (Shri Tyagi): (a) to (c). The information is being collected and will be placed on the Table of the House in due course.

(d) Proposals relating to the creation of new posts are subjected to a detailed and careful scrutiny by this Ministry. Reductions have been made wherever possible with a view to introducing the maximum measure of economy. Also, care is taken to sanction establishments only on a temporary basis wherever they are required to meet temporary needs, and such additional establishment is reduced as soon as the need is over. As pointed out by the Finance Minister in his Budget Speech for 1952-53 in the House, the position is that in an expanding economy like ours any saving realised in administrative expenditure is likely to be more than absorbed by increasing demands for developmental expenditure. As promised by the Finance Minister at that time, a Special Unit consisting of officers of the Home and Finance Ministries are at present making a critical and detailed review of the organisational structure of the Ministries and their subordinate offices with a view to introducing economy in expenditure wherever possible.

Shri A. N. Vidyalankar: Was any Committee or Commission appointed by the Government to reorganise Government offices and curtail their expenditure?

Shri Tyagi: I have stated that many proposals were considered one after another, and I am grateful to the two Committees of this House, the Estimates Committee and the Public Accounts Committee. Their recommendations came to be of great help to me. A reduction of Rs. 5 lakhs in 1950-51 and of 124 lakhs in 1951-52 on this account was effected by the Finance Ministry itself.

According to the recommendations of the Estimates Committee, Rs. 27

lakhs was reduced in 1950-51, and Rs. 22 lakhs in 1951-52—the credit for which, of course, goes to the Committees of this House.

Then, Sir, as I have already mentioned, a team is working with the various Ministries. They are examining their establishments and their working. One Joint Secretary, Finance Ministry, Deputy Secretary, Finance Ministry and Deputy Secretary, Home Ministry are in the team. They have already examined the Ministries of Food and Agriculture, and have made a recommendation for a reduction of expenditure of Rs. 50 lakhs out of their budget of Rs. 4 Crores. They have also examined the Irrigation and Power Ministry and made a recommendation of Rs. 20 lakhs out of their budget of Rs. 70/80 lakhs. That itself is a very great encouragement to me, and I am glad to announce that the Irrigation and Power Ministry have practically accepted the recommendations. Very soon they are coming into effect.

At present, the team is examining the Labour Ministry and I am glad that my colleagues, the Minister in charge of Commerce and Industry, and the Minister in charge of Communications have made requests that this team should go and operate in their Ministries also. So, the work of this team is popular, and I hope it will give some results.

Shri A. N. Vidyalankar: Does the Government consider that a more thorough reduction and curtailment in expenditure is necessary in the Government departments than what has been described here?

Shri Tyagi: I must confess: the economies of this kind have not yet been to my heart's content, and every effort is being made to curtail, but in the process of curtailment, there are additional items of expenditure which come on account of the economic expansion of the country as a whole.

Shri A. N. Vidyalankar: Is the Government going to reorganise and thoroughly overhaul all the Departments in this respect?

Shri Tyagi: That is what is meant by the team working.

Shri Gidwani: Are Government aware that certain officers who retire are re-appointed as special officers because they are favoured ones?

Shri Tyagi: In some very rare cases where experts are not available and works of importance have to be looked after, extensions are given but for a very short period.

Shri Sarangadhar Das: May I know, Sir, the approximate budget for the additional staff who come under the additional Deputy Ministers and Parliamentary Secretaries, the expansion that has taken place lately? What will be the approximate cost for the staff and the Ministers?

Shri Tyagi: Immediately after the appointment of new Deputy Ministers and Ministers, the Prime Minister issued a directive that, as far as possible, new staff should not be appointed, and Ministries must try to get the additional work done with the previous staff.

Shri Damodara Menon: The hon. Minister now stated that one Ministry has accepted the recommendation of the team. What about the Ministry of Food and Agriculture?

Shri Tyagi: The position is that as soon as the recommendations of this team come to my Ministry, we just process them with administrative Ministries. We have already negotiated with one Ministry. They have agreed, and with the other Ministry, another Joint Secretary is just processing. I have recently asked the Secretary of Revenue and Expenditure himself to personally take up this work, and he will be going from Ministry to Ministry, and will negotiate with them. I do not yet know the reactions of the other Ministry.

Shri M. S. Gurupadaswamy: Has it come to the notice of the hon. Minister that various Ministries of the Government are appointing people in various places without taking the formal or previous approval of the Public Service Commission.

Shri Tyagi: No such thing has come to my notice yet. As far as I remember, every appointment is first processed through the Public Services Commission, of course, in matters of new appointment, and then they are processed through the Home Ministry. The proposals also come to my Ministry. I do not think there can be any such escape where the Public Services Commission or any of the Ministries is skipped over.

Shri K. K. Basu: Is it true, there are a large number of non-gazetted officers who are considered to be temporary even after several years of service, and how many of them are going to be retrenched?

Mr. Speaker: I think this question does not arise out of it. It is too remote a question.

Shri Dabhi: What are the scales of pay and allowances for those who are appointed to the Indian Administrative Service?

Mr. Speaker: How does it arise? All sorts of questions are being put.

TRAINING CENTRES (STATISTICAL QUALITY CONTROL TECHNIQUES)

***108. Shri S. C. Samanta:** Will the Minister of **Finance** be pleased to state:

(a) whether the proposed training Centres for teaching statistical quality control techniques in New Delhi, Calcutta and Bombay have been established;

(b) whether the foreign experts recruited by the U.N. Technical Assistance Administration have reached India to take charge of the Centres;

(c) whether the training programme has been chalked out; and

(d) how the Committee established by the Government of India under the leadership of the Statistical Adviser to the India Cabinet will help or is helping the experts in their work?

The Parliamentary Secretary to the Minister of Finance (Shri B. R. Bhagat): (a) Yes, Sir, the training courses are to be held in succession at New Delhi, Calcutta, Madras and Bombay.

(b) Yes, Sir, on the 6th October, 1952.

(c) Yes.

(d) The training courses which commenced in New Delhi on the 13th October, 1952, are being organised under the guidance of a National Co-ordinating Committee with Shri V. T. Krishnamachari, Member, Planning Commission, as Chairman and Prof. P. C. Mahalanobis, Statistical Adviser to the Cabinet, as Member-Secretary. The Committee has settled all the details relating to the training such as the selection of training centres, the duration and programme of training, the selection of trainees, etc. The course of training in New Delhi has been completed and the course of training in Calcutta will commence on the 10th November, 1952.

Shri S. C. Samanta: May I know, Sir, the number of the foreign experts that have come, and their names? From which University have they been recruited?

Shri B. R Bhagat: They are five and their names are:

(1) Prof. Ellis R. Ott, who is the head of the Department of Applied Statistics, Rutgers University, New Brunswick, New Jersey.

(2) Prof. Paul Clifford of New Jersey State Teachers' College, New Jersey,

(3) Prof. Mason E. Westcott, Department of Applied Statistics, North-west University, Illionois.

(4) Prof. Anders Hald, of the University of Compenhagen, Denmark; and.

(5) Mr. Thomas Budne, Professor in Statistical Quality Control in University, New Brunswick, New Jersey.

Shri S. C. Samanta: May I know, Sir, how the trainees will be recruited, and if any foreign students will be taken in?

Shri B. R. Bhagat: The trainees are being recruited from the different industrial concerns, and also from Government Departments. As far as my information goes, there is no foreign trainee.

Shri S. C. Samanta: May I know, Sir, how the Indian industries will be acquainted with the purpose and advantages of the programmes of this training?

Shri B. R. Bhagat: They will get the benefit through reduction in wastages and by way of efficiency in industrial control. It is expected that with the same technical equipment, capital and other costs, if the scheme succeeds, there will be an increase in production from 10 to 15 per cent.

Shri S. C. Samanta: May I know who will make the necessary arrangements for the lecture room facilities and other equipments?

Shri B. R. Bhagat: As I answered earlier, the whole scheme is organised by the National Co-ordinating Committee, of which Mr. V. T. Krishnamachari is the President and Professor P. C. Mahalanobis is the Member-Secretary.

Mr. Speaker: His question is who will bear the cost?

Shri B. R. Bhagat: The cost is borne by the U. N. Technical Assistance Administration, and Government of India will bear the cost of Rs. 50,000 on subsistence, transport and medical care, and further up to a maximum of Rs. 25,000 on the cost of secretariat assistance, office and travelling allowances etc.

Shri S. C. Samanta: Is it true that the Cabinet Committee will take all the responsibility for the management?

Shri B. R. Bhagat: The responsibility of management is taken by the National Co-ordinating Committee.

Shri Dabhi: What are the conditions of service of these foreigners?

Shri B. R. Bhagat: They are under an agreement on the U.N. Assistance Programme.

Shri S. N. Das: Arising out of the answer to part (c) of the question, may I know what is the nature of the training programme chalked out?

Shri B. R. Bhagat: I think some time back a press information bureau release which has been published in newspapers, has given a detailed report about the nature of this quality control training.

Shri S. N. Das: I wanted to know what will be the number of trainees trained in these centres year by year.

Shri B. R. Bhagat: The number of trainees in every centre is approximately 40: and the total number of trainees is about 128 as industrial trainees and about 16 as teacher trainees for carrying out the programme.

Shri B. S. Murthy: May I know what is the period of training, and whether the Government will consider the desirability of having one centre instead of three centres?

Mr. Speaker: The latter part of the question is a suggestion, so only the first part need be answered.

Shri B. R. Bhagat: The period of training for the four centres is as follows:

Delhi	..	13th October to 31st October, '52. (Since completed)
Calcutta	..	10th November to 29th November, '52.
Madras	..	1st December to 19th December, '52.
Bombay	..	29th December '52 to 17th January, '53.

Shri S. C. Samanta: Is it not a fact that it was settled that training centres will be opened in three places? The hon. Minister has informed us now that they have now been opened in four places. So, may I know whether any other centres are to be opened in the near future?

Shri B. R. Bhagat: Not under contemplation.

U. S. AIR MISSION

***109. Shri Tushar Chatterjea:** Will the Minister of **Defence** be pleased to state:

(a) whether it is a fact that some time back a U.S. Air Mission visited certain Indian Air-ports; and

(b) if so, the details and the object of this visit?

The Deputy Minister of Defence (Sardar Majithia): (a) and (b). No. such mission visited the Indian Airports. Presumably, the hon. Member has in mind the visit of Col. Sheldon and two other officers, of the U. S. Military Assistance Group, Thailand, in August last. These officers visited India and Ceylon for sight-seeing at the invitation extended to them in a personal capacity by the then Chief of Air Staff and Commander-in-Chief, Indian Air Force, who was on a goodwill mission in Thailand in 1951. During this visit they saw some of our air force centres, as well.

Shri K. K. Basu: Is any of our defence installation or aerodromes considered to be an object for sight-seeing?

Sardar Majithia: It is of professional interest as well: when people come along, they naturally see places of such interest also.

Shri B. S. Murthy: May I know whether any photographs or plans have been supplied to these officers?

Sardar Majithia: No, Sir.

Shri H. N. Mukerjee: May I know whether it is Government's intention in the present posture of international politics to allow high-ranking military officers of a great power to see our operational installations, and may I know also whether this visit of air-force officials from the U.S.A. was more or less a continuation of the lecture which was given by the American Ambassador to Indian officers some time in June, where he talked about the exchange of military ideas for the saving of democracy in Asia?

Sardar Majithia: The question does not arise.

UNIONS OF GOVERNMENT SERVANTS

***110. Shri H. N. Mukerjee:** Will the Minister of **Home Affairs** be pleased to state whether there is any ban on unions or associations of Government servants electing non-officials as members or office-bearers of such organisations?

The Deputy Minister of Home Affairs (Shri Datar): The hon. Member is presumably referring to Unions and Associations of Government servants, other than industrial employees. The instructions are that non-officials should not ordinarily be eligible to be members or office-bearers of such bodies.

Shri H. N. Mukerjee: Is it not a fact that under the law of the land, people who are not actually working in particular factories or workshops or establishments are entitled up to a certain number to be elected as office-bearers of these organisations, and if that is so, is not the Government trying to circumvent the law of the land by this subterfuge?

Shri Datar: There is no such law of the land.

Shri Raghuramaiah: May I know in view of the exploitation of Government servants by non-officials and certain political parties, whether the Government will not consider it desirable to impose such a ban?

Mr. Speaker: Order, order, it is a suggestion for action.

Shri H. N. Mukerjee: Is it not a fact when a minister says that it is not the law of the land, it is a matter which has to be agitated? But in view of certain specific provisions in the trade union legislation of this country, are government in a position to dictate to these employees demanding that they should not associate people who are not Government employees to be their office-bearers? I asked this question because it is a matter of principle, and there are so many Members of this House who are actually associated as office-bearers...

Mr. Speaker: Order, order. The hon. Member is entering into an argument. He can take it up some time later, not during the Question-hour.

I am going to the next question.

INDUSTRIAL FINANCE CORPORATION

***111. Dr. Ram Subhag Singh:** (a) Will the Minister of **Finance** be pleased to state whether it is a fact that the Industrial Finance Corporation has granted a loan to the Aluminium Corporation of India Ltd.?

(b) If so, what is the amount of that loan?

(c) When was this Corporation founded and by whom?

The Deputy Minister of Finance (Shri M. C. Shah): (a) to (c). The borrowing concerns are entitled to the secrecy, which is customary between banker and customer, with regard to their financial transactions and it would not, therefore, be in the public interest to furnish this information.

Dr. Ram Subhag Singh: May I know whether the management of the Corporation is done satisfactorily?

Mr. Speaker: The hon. Member is asking for opinion, and so I am not permitting that question.

ELECTION PETITIONS FROM BIHAR

***112. Shri D. N. Singh:** Will the Minister of **Law** be pleased to state the total number of election petitions filed from the State of Bihar under the Representation of the People Act?

The Minister of Law and Minority Affairs (Shri Biswas): 24 election petitions have been filed from the State of Bihar.

CENTRAL GOVERNMENT SIND EMPLOYEES

***113. Shri Gidwani:** Will the Minister of **Home Affairs** be pleased to state:

(a) whether it is a fact that final optees for Pakistan who were compelled by circumstances to migrate to India were taken up in the service of the Union Government;

(b) whether it is a fact that the service of these employees has not yet been regularised and that they are considered as temporary hands even though they had several years of permanent service under the Central Government;

(c) whether in 1951, such employees were asked to furnish certain information with a view to regularising their service; and

(d) the reasons for which their service has not been regularised as yet and when it is expected to be regularised?

The Deputy Minister of Home Affairs (Shri Datar): (a) Yes.

(b) Yes. In accordance with the decision reached in the Partition Council, all those who had opted for Pakistan finally should look to that Government for employment as well as pensionary and other service benefits. In order however to avoid undue hardship the Government of India decided to re-employ Pakistan (final) optees on a temporary basis. In March, 1950, they made a proposal to the Government of Pakistan for the recognition, on a reciprocal basis, of the *de facto* options of all such Government servants provided that they joined their posts in India/Pakistan on or before the 15th February 1948. No reply has so far been received from the Pakistan Government.

(c) and (d). Yes.

Information was called for in order to assess the magnitude of the problem and its probable financial implications. A final decision will be taken as soon as possible after the Pakistan Government's reply is received.

Shri Gidwani: Do the Government expect any reply from the Pakistan Government?

Shri Datar: We do expect a reply from a neighbouring Government?

Shri Gidwani: Supposing there is no reply...

Mr. Speaker: Order, order. That will be problematical at this stage.

WRITTEN ANSWERS TO QUESTIONS

LIBRARY MOVEMENT

***104. Shri Jhulan Sinha:** Will the Minister of **Education** be pleased to state the steps, if any, taken by the Central Government to encourage and develop the library movement in India?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): A statement is laid on the Table of the House. [*See* Appendix I, annexure No. 20]

AERODROME, SABEYA POLICE STATION, BIHAR

***105. Shri Jhulan Sinha:** Will the Minister of **Defence** be pleased to state:

(a) whether it is a fact that the aerodrome at Sabeya Police Station, Meergunj Sarai, Bihar, was constructed during the last war and a large number of houses were constructed on the land acquired for the purpose;

(b) whether it is a fact that most of these houses are collapsing, a number of them having already collapsed;

(c) whether it is a fact that some of the runways are being used as routes for ordinary traffic and are being worn out;

(d) whether it is the intention of Government to maintain the aerodrome; and

(e) if so, what arrangements are there to carry out the intention and to keep the aerodrome intact and fit for use by the bigger planes?

The Deputy Minister of Defence (Sardar Majithia): (a) Yes.

(b) The buildings on this airfield were transferred to the State Government in 1950. Government of India have, therefore, no information about the State of these buildings.

(c) The runways are surplus to defence requirements and, therefore, are not being maintained. Government have no information whether they are being used for ordinary traffic. It is likely they are also deteriorating for want of maintenance.

(d) No.

(e) Does not arise.

UNIVERSITY GRANTS COMMITTEE

***106. Shrimati Jayashri:** Will the Minister of **Education** be pleased to state:

(a) whether Government are aware of the Resolution that was recently passed by the Inter-University Board which met at Madras to set up a University Grants Committee; and

(b) if so, whether this University Grants Committee will be functioning on the lines of the one at present functioning in Great Britain?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) Yes.

(b) More or less on the same lines, except that the scope of the University Grants Commission is restricted to the four Central Universities and to those Universities whose applications for grant are forwarded to it by the Government.

STATE FINANCE MINISTERS CONFERENCE

***114. Shri A. C. Guha:** Will the Minister of **Finance** be pleased to state :

(a) the subjects discussed and the decisions arrived at, in the Conference of the State Finance Ministers held recently in Delhi; and

(b) whether these decisions are obligatory or only of recommendatory nature ?

The Deputy Minister of Finance (Shri M. C. Shah): (a) and (b). The main object of the Conference was to exchange views on vairous financial issues so that action on problems connected with the economic development of the country may be taken with the greatest common measure of agreement. A statement showing the items which formed the agenda of the Conference and the broad conclusions thereon is laid on the Table of the House. [*See* Appendix I, annexure No. 21]

RECRUITING CENTRES

***115. Shri Achuthan:** Will the Minister of **Defence** be pleased to state the number of recruiting centres for the Defence Forces and where they are located ?

The Deputy Minister of Defence (Sardar Majithia): There are 10 main and 44 sub-recruiting Centres which carry out recruitment of Other Ranks for the Army and of ratings of the Navy. Air Force has 14 recruiting centres. Their location and the territory allotted to each is shown in the statement which is placed on the Table of the House. [*See* Appendix I. annexure No. 22]

EXPORT OF SILVER AND GOLD JEWELLERY

28. Shri A. N. Vidyalankar: (a) Will the Minister of **Finance** be pleased to state whether it is a fact that Government propose to withdraw or have already withdrawn the restrictions on the export of silver and gold jewellery and utensils ?

(b) If so, what steps do Government propose to take in the matter ?

The Deputy Minister of Finance (Shri M. C. Shah): (a) Since January, 1950 the export of jewellery and utensils made of silver has been allowed freely in order to encourage cottage Industry and to earn foreign exchange. The export of jewellery made wholly or mainly of gold requires the permission of the Reserve Bank. The export of utensils made of gold is not permitted.

(b) Government do not consider that any particular steps are called for.

LIBRARY PROJECT

29. Shri A. N. Vidyalankar: Will the Minister of **Education** be pleased to state:

(a) whether it is a fact that the UNESCO made certain contributions to provide for the establishment in India of a pilot Library Project;

(b) if so, the amount of contribution;

(c) the number of persons trained under the scheme;

(d) whether the project has been started and, if so, the details thereof; and

(e) what the project will annually cost India ?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) and (d). Yes. Unesco has made financial contribution for setting up a Delhi Public Library. The details of its set up and activities were furnished in reply to Unstarred Question No. 454 asked by Shri S. N. Das on 18th July, 1952.

(b) Unesco's contribution in the various years has been as follows:—

1949	$ 1428
1950	$ 6112
1951	$ 15380
1952	$ 16818
	(Budget Provision)

(c) The present Director of the Library was trained under a Unesco Fellowship and a second followship is being provided for training another member of the Library staff.

(e) Under the terms of an Agreement dated the 22nd May, 1951 drawn up between the Government of India and the Unesco for the period 1951-54 (fiscal year, 1955), the Government of India are to provide a sum in rupees equivalent to $ 1,20,000 while Unesco will contribute for the same period a sum of $ 60,000. The following amounts have been paid by the Government of India and the Delhi Municipal Committee so far:—

Government of India:—

1950-51	Rs.	1,07,600.
1951-52	Rs.	60,000.
1952-53	Rs.	45,000. Out of a Budget provision of Rs. 2,10,000).

Delhi Municipal Committee:—

1950-51	Rs. 25,000
1951-52	Rs. 25.000

EXCISE ON DRUGS AND MEDICINES

30. **Dr. Amin:** Will the Minister of **Finance** be pleased to state whether Government propose to make excise on drugs and medicines a subject for the Central Administration as per item 84 of the Seventh Schedule of the Constitution?

The Minister of Revenue and Expenditure (Shri Tyagi): In pursuance of item 84 of List I of the Seventh Schedule to the Constitution, Government are considering the question of bringing forward legislation before Parliament to prescribe uniform rates of excise duties on medicinal and toilet preparations containing spirit. By Article 268 of the Constitution, however, these duties are required to be collected by the State Governments in Part A and Part B States. Provision will accordingly be made in the proposed legislation for collection of the duties through the agency of the State Governments in such States.

ETHYL ALCOHOL

31. **Dr. Amin:** Will the Minister of **Finance** be pleased to state:

(a) whether it is a fact that possession and use of ethyl alcohol or rectified spirit for industrial purposes is governed by the Central Excise Act as well as by the Excise Acts of various State Governments; and

(b) if the answer to part (a) above be in the affirmative, what action Government propose to take to avoid this dual control over the same commodity?

The Minister of Revenue and Expenditure (Shri Tyagi): (a) Ethyl alcohol absolute (99·5 per cent), whether in its pure or denatured form, is "power alcohol" within the meaning of the term as defined in the Central Excises and Salt Act, 1944, and is, therefore, subject to the control of the Government of India.

The State Governments who have a high revenue interest in the pure form of this alcohol, exercise strict control over its possession and use, whether for industrial purposes or otherwise. The Government of India have, therefore, refrained from imposing their own control also, over the possession and use of the pure form of the alcohol.

The State Governments, have, however, only an insignificant revenue interest in the denatured form of this alcohol and, therefore, exercise little control over its possession and use. When this form of absolute Ethyl alcohol is issued for industrial purposes, its possession and use are controlled by the Central Excise authorities. Industrial users of such alcohol do not have to pay the Central Excise duty (15 annas per gallon plus 5 per cent. surcharge) on the alcohol, but are required to take out Central Excise licences, and maintain excise accounts of the receipt and utilisation of the alcohol.

Rectified spirit (94-96 per cent) which is unfit for normal use as fuel in motor vehicles, is not subject to control under the Central Excises and Salt Act, 1944.

(b) Does not arise.

AMERCAN CITIZENS IN INDIA

32. **Dr. Ram Subhag Singh:** Will the Minister of **Home Affairs** be pleased to state the number of American citizens in India who are at present engaged in following work:—

(i) U.S. Government employees;
(ii) Businessmen;
(iii) Students;
(iv) Americans under the employ of the Indian Union and State Government;
(v) Americans engaged in the Point Four Aid to India programme; and
(vi) Missionary work?

The Minister of Home Affairs and States (Dr. Katju): (i) 338:

(ii) 536 (including employees in private firms);

(iii) 312;

(iv) 37;

(v) 65; and

(vi) 2022.

excluding Jammu and Kashmir from which State information is awaited.

FIRE ARMS

33. Pandit S. C. Mishra: (a) Will the Minister of **Home Affairs** be pleased to state the number of licensed firearms in India in civilian possession excluding foreigners on the 15th day of August, 1947 Statewise and the number of the same on 15th August, 1952?

(b) What is the ratio per firearm to adult population?

The Deputy Minister of Home Affairs (Shri Datar): (a), and (b). The information is being collected and will be laid on the Table of the House in due course.

INCOME-TAX ON IMMOVABLE PROPERTY

34. Shri A. N. Vidyalankar: Will the Minister of **Finance** be pleased to state the total rental value of the immovable property assessed to income-tax in various States in the years 1947-48; 1948-49; 1949-50; 1950-51 and 1951-52?

The Minister of Revenue and Expenditure (Shri Tyagi): Rental value is not known, but the total 'property' income assessed to tax in the years 1947-48 to 1951-52 was:

	Rs. (Lakhs)
1947-48	19,16
1948-49	21,45
1949-50	22,09
1950-51	22,81
1951-52	30,20

Dated......20.11.2014

THE PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

HOUSE OF THE PEOPLE

Friday, 7th November, 1952

The House met at a Quarter to Eleven of the Clock

[MR. SPEAKER *in the Chair*]

QUESTIONS AND ANSWERS

(*See Part I*)

11-45 A.M.

PAPERS LAID ON THE TABLE

(i) FOURTH ANNUAL REPORT OF THE INDUSTRIAL FINANCE CORPORATION OF INDIA, AND (ii) STATEMENT SHOWING ASSETS AND LIABILITIES OF THE CORPORATION

The Minister of Finance (Shri C. D. Deshmukh): I beg to lay on the Table a copy of each of the following papers in accordance with sub-section (3) of section 35 of the Industrial Finance Corporation, Act, 1948:

(i) Fourth Annual Report of the Board of Directors of the Industrial Finance Corporation of India on the working of the Corporation during the year ended the 30th June, 1952; and

(ii) Statement showing the assets and liabilities of the Corporation at the close of the year and the Profit and Loss Account for the year. [*Placed in Library. See* No. IV.O.4 (29).].

ADDITIONAL RULE (No. 1A) TO THE RESERVE BANK OF INDIA (NOTE REFUND) RULES, 1935

The Minister of Finance (Shri C. D. Deshmukh): I beg to lay on the Table a copy of the additional rule (No. 1A) to the Reserve Bank of India (Note Refund) Rules, 1935, under section 28 of the Reserve Bank of India Act, 1934. [*Placed in Library. See* No. P-65/52.]

NOTIFICATION MAKING CERTAIN AMENDMENT IN THE U.P.S.C. (CONSULTATION) REGULATIONS

The Minister of Home Affairs and States (Dr. Katju): I beg to lay on the Table a copy of Notification No. 18/37/51-Ests, dated the 21st October, 1952, making certain further amendment in the Union Public Service Commission (Consultation) Regulations, in accordance with clause (5) of article 320 of the Constitution. [*Placed in Library. See* No. P-66/52.]

INDIAN INCOME-TAX (AMENDMENT) BILL

PRESENTATION OF REPORT OF SELECT COMMITTEE

Pandit Thakur Das Bhargava (Gurgaon): I beg to present the Report of the Select Committee on the Bill further to amend the Indian Income-tax Act, 1922.

ESTATE DUTY BILL—*contd.*

Mr. Speaker: The House will now proceed with further consideration of the following motion moved by Shri C. D. Deshmukh on the 5th November, 1952:

> "That the Bill to provide for the levy and collection of an estate duty, be referred to a Select Committee consisting of Shri M. Ananthasayanam Ayyangar, Shri Khandubhai Kasanji Desai, Shri Narahar Vishnu Gadgil, Shri Dev Kanta Borooah, Shri R. Venkataraman, Shri Nityanand Kanungo, Shri Feroze Gandhi, Shri Tribhuan Narayan Singh, Shri Basanta Kumar Das, Shri Balwantrai Mehta, Prof. Shriman Narayan Agarwal, Shri

[Mr. Speaker]

mati Anasuyabai Kale, Shri P. T. Chacko, Shri N. Keshavaiengar, Shri U. Srinivasa Malliah, Shri S. Sinha, Shri C. D. Pande, Shri Tek Chand, Shri Harihar Nath Shastri, Pandit Munishwar Dutt Upadhyay, Shri Sadath Ali Khan, Shri Radheshyam Ramkumar Morarka, Shri Kamakhya Prasad Tripathi, Shri N. C. Chatterjee, Shri B. Ramachandra Reddi, Shri K. A. Damodara Menon, Shri K. S. Raghavachari, Shri Tulsidas Kilachand, His Highness Maharaja Sri Karni Singhji Bahadur of Bikaner, Shri V. P. Nayar, Shri Kamal Kumar Basu, Dr. Lanka Sundaram, Shri B. R. Bhagat, Shri Mahavir Tyagi and the Mover, with instructions to report by the last day of the first week of the next session."

Shri Gadgil (Poona Central): Sir, when the House rose yesterday for the day, I was referring to the fact that in 1946 when a Bill of this type was introduced in this House some of us made calculations as to the probable yield from this tax and the figure we arrived at was rupees nine crores. A point was made in the course of discussion yesterday that there must be some certainty about the target in so far as the yield that might be estimated by the Finance Minister in any year was concerned. I admit that there is some force in this, but the yield from this tax cannot be so much as to make the Indian Budget a gamble in death. At the same time, as I said, it is not only the financial aspect of this measure that is important, but the social aspect is equally important, perhaps more important, from the viewpoint of some of us. I presume, Sir, that the yield from this tax may be round about 20 crores, but it is difficult to say with any measure of certainty today.

[PANDIT THAKUR DAS BHARGAVA *in the Chair*]

When the tax is actually imposed, a certain period of time has to pass before anything like certainty can be arrived at as to the yield from this tax. But that does not mean that we should not proceed with the levy of a tax of this kind. Admittedly, Sir, this tax in the form of estate duty is one which will give more than in any other form. The reason precisely, as I said yesterday, is that the estate is made subject to tax before it is broken and distributed or divided into various sharers or those who are entitled if there is a testament under that testament. No doubt there is a chance of some inequity in working this for the simple reason that this does not take into consideration the financial position of the person who is to benefit under the same. A millionaire will pay the same rate and a pauper will pay the same rate. But this inequity can be corrected when rules are made and rates are prescribed from year to year. But there is no doubt that this is the method whereby if the object is purely financial, the Government is sure to get the maximum, for there is less chance of collusion, there is less chance of evasion so far as the estate duty is concerned. But if we accept the inheritance tax, the chances of evasion and of collusion are greater.

Now, Sir, some of the speakers desired that there should be minimum of exemption fixed right in the statute itself. As I said yesterday, the Finance Minister was quite wise in not prescribing the minimum exemption limit in the statute itself, for such a course would afford opportunity to this House every year, and I have no doubt that when the financial proposals are framed all those arguments which are relevant in connection with this will be borne in mind by the Finance Minister of the day. It is undoubtedly true that, if there is some minimum and if there is a progressive rate over the minimum, the yield may be greater. That has been the experience in other countries. That it will work with some equity, there is no doubt about it. There is another point also which I would like the Finance Minister to take note of. There are number of private institutions doing public work such as schools and colleges and hospitals. They must be exempt, whether as a class or whether in terms of minimum of money, but what I want to urge is that these are considerations which are bound to be taken note of by the Finance Minister in due course.

A suggestion was made that small houses, small holdings, utensils, heirlooms and other things should be exempt. I do not think it is the desire of anybody to do anything whereby there will be further fragmentation of land. That is nobody's object. And to that extent I have not the slightest doubt that smaller landed estates will bear a small proportion of rate and will not be so heavy as to result, as I said, in further fragmentation of these holdings or estates.

Now, Sir, in considering this minimum some people are under the impression that the duty or the tax will be paid from the capital or corpus of the estate. What normally happens is that the shares or the securities are sold. Somebody purchases them, may be from the sale of his other property. But the result is that there is a chain of transfers and ultimately the man who purchases them purchases them out of his savings. There is no fear that the existing capital will be affected in any way and the utmost that it may amount to will be that there will be a diversion; instead of its being used in the creation of new capital, it will be used in the preservation of the old. That will be the economic result of this.

Sir, having disposed of this point about having a minimum limit, the question of the tax structure becomes relevant How will they pay the tax? Obviously, all those considerations which weigh with a Finance Minister while he is evolving a system of income-tax will weigh with him even here. He may have the system of progressive taxation. This is a direct tax; this is a tax on unearned property. There is absolutely no question of any self-acquired nature of this property. It comes like a windfall and it being a direct tax the system of progressive rate is fully justified. It may be on the totality, it may be on the bracket as is done in the present income-tax system, that you pay the higher rate only for the higher slab But whatever inequity or slight injustice that may result from sticking to this form of estate duty can be corrected, and I have a suggestion to make. Just as there is a surcharge on income-tax, having fixed up the rates of estate duty as such, the Government can proceed to levy in addition a surcharge which will be related to the financial position of those who benefit under it. It is possible to have the rates of surcharge less on the nearer heir and more on the more remote. It can also take into consideration the financial position of the person who benefits under it, namely, the beneficiary. You can take into consideration what he has when you want to add something to his estate because of the death of a person from whom he is to inherit. Now, Sir, in this way whatever inequity or inequality is there in the existing estate duty form of death duties as such can be removed by this suggestion.

12 NOON

Now, some question was raised about the frequency of transfer. Prof. Regnano desired that the whole estate should be wiped out in the course of three deaths, three generations to be precise. I have no patience. What I feel is that the sooner they are over the better. And for that there are two ways. One is, you can raise the duty so much that very much sooner the estate will be brought to a size and will be of no power to the holder thereof so that he will not have that social prestige and have that weapon with which he can rule the society or a part of it. The other suggestion is, Sir, that the benefit of a deceased's estate should be limited to a number of heirs only. Under the Hindu Law there is a compact series of heirs and if there is nobody from this compact series of heirs, the estate should escheat to the Crown, now, here, to the Government. After all, according to all systems of jurisprudence, the State is the residuary legatee, the *seshadhikari*. And I have not the slightest doubt that if this is done, well, those heirs who are removed by many degrees, who are *bandhawas* or *samanodakas* will be excluded. Why should they have a chance? Are we not all *samanodakas*, we are all drinking the same Jumna water; are we not all *bandhawas*? Only those people who in the natural course will have some expectation should get the thing; it must be limited to them and should not go beyond that. This does not offend against the spirit of Hindu Law though it does, according to me, offend some of the texts. We are after all moving. Whatever has been laid down days before does not like the laws of the Medes and the Persians constitute eternal laws, unchangeable, inflexible. After all law is the reflection of what the community thinks from time to time and considers to be in the best interests of the country. It is the function of the Legislature to see that the gap between the public morality and the law is reduced as early as possible. If public opinion is very much in advance then legislation must step in and see gradually, if possible, that this gap is removed and the needs of the present society fulfilled. (*Interruption.*) The progress of the community must not be hanged on the cross of this religion or that religion. I am perfectly frank about it. After all the meaning of *dharma* is *dharayate anena*. Do these old canons hold good to society today? On the contrary an appeal to those ancient customs are bound to create mischief, resentment and anger throughout. If *dharma* was the basis of kingdom *dharma mulamcha rajyam* धर्ममूलंच राज्यम् the next *sutra* says: अर्थ मूलंच र्मं : *Dharma* is thus founded on a system of economics. That is exactly what we are doing as a modern

[Shri Gadgil]

State, partly by this legislation. Therefore make no mistake that if we confine the benefit to certain limited heirs we are doing something like a great offence against the system of Hindu law and morality. I remember some objections were raised in good old times when the question of having the amendment in the Child Marriage Restraint Act was discussed here. The same line of argument was advanced and the Congress party's stand then was that if religion offended morality then religion must give way. If today religion stands in the way of our progress, moral and material, then it must give way because it is no longer religion which caters to the happiness of the community as a whole.

Sir, I have before me the comments of the Indian Merchants' Chamber and also the Federation of Indian Chambers of Commerce and Industries. I consider them as the best authorities on the subject of what the moneyed classes in this country think. I find that they want postponement on the ground that the Taxation Enquiry Committee is going to be appointed soon and unless the tax potentiality of the community is thoroughly investigated it would not be prudent for the Government to proceed with this Bill. I do not think that the Taxation Enquiry Committee whenever it is appointed will report anything other than what we are doing today. This is a tax which has been recommended by the last Taxation Enquiry Committee in 1925. We are committed to it as a party. We are committed to it as a Government. After all, there may be a suggestion here or there, but it cannot be radically different from what we are doing today. I would therefore urge that this is a matter which need not be taken into consideration, and I trust that the hon. the Finance Minister who is generous enough to promise representation to these vested interests will limit such representation to the minimum, so that the other sectors of the community will not suffer.

Sir, I have tried to show that this measure is absolutely essential to secure equality of opportunity and social justice. We have inherited poverty. We do not want to leave it as an inheritance to our succeeding generation. At least, that is my life's aim. I was born poor. I have no desire to die rich and I am sure the obliging Finance Minister will take pretty good care to see that none of us dies pretty rich. We have inherited good and bad. Let us liquidate whatever is bad and leave nothing of it to the next generation. Whatever good we have inherited, let us improve upon it and leave it as a legacy for the future which should be better, greater and nobler. To the unbelievers on my right, whosoever they are, I wish to say that whatever principles are embodied in this Bill thoroughly accord with their ideology. To the believers behind me, I would say that the *Upanishads* have clearly laid down:

"त्येन त्यक्तेन भुजीथा ।"

Why do you worry about it? Nobody is going to dishonour your dead. Provision has been made for paying the funeral expenses. Even if you want a pyre of *chandan* or sandal wood all that will be provided for. But let not the dead stand in the way of the progress of the living. In the name of the dead, in the name of religion, in the name of this, that and the other, why are you blocking progress? The disinherited and the down-trodden have waited for ages. There is a limit to everything in the world, including patience. We have promised them many things. The former Governments have promised them many things. In fact, like the clouds they have made a big noise but not a drop has gone into the mouth of the *chathak* bird.

गर्जित बधरीकृत कुकुभा । किं न कृतं जलदन ।
कियती चातक चंचुपुटि । सापि भृता न जलेन ।।

Even this little has not been done. Now that the Government is in right earnest, let us see that we add a few moments of brightness and pleasure to the life of the common man. Let us give him a little more of food and clothing. Let him taste what is a square meal. Let him feel a little warmer after ages. Now that we are on the eve of a new social order, let us create a climate of opinion that is appropriate to it and develop certain disciplines in one's individual and community life, so that the inauguration of the new order of society will be easier. Step by step we shall proceed. Brick by brick we shall build a palace of happiness for the people, wherein there will be less jealousy, more comradeship, and more happiness, because all will be equal.

Shri Raghubir Sahai (Etah Distt.—North East *cum* Budaun Distt.—East): Sir, I am very grateful to you for having given me an opportunity to express my views on this Bill. I listened to almost all the speeches that were delivered yesterday and also to the learned discourse of my hon. friend Shri Gadgil, over which he took a pretty long time. I have listened to the speeches that were in support of the Bill and those that were against it, but with your permission I wish to say that I want to adopt a more cautious line of action.

I am in entire agreement with the principle embodied in the Bill, but I am sorry to say that I do not feel that a very strong case has been made out for the introduction of the Bill at this stage. (*Babu Ramnarayan Singh*: Hear, hear.) In my humble opinion, this is not the opportune time when a Bill of this kind should be introduced in this House. I entirely agree with the aims of this Bill as stated in the statement of objects and reasons, *viz.*, "to reduce the existing inequalities in the distribution of wealth and to assist the States towards financing their development schemes." These are very laudable and noble aims. and the sooner we achieve them the better for us all.

The hon. Finance Minister in support of this Bill has quoted some observations of the Planning Commission. We have a very high opinion about the Planning Commission and we have very great admiration for the recommendations embodied therein. but I find that there is only a passing reference in that exhaustive report to the imposition of this duty. The Planning Commission's Report has not gone thoroughly into the matter of the imposition of the estate duty, nor has it gone into all its implications.

Another reason advanced by the hon. Finance Minister in support of the Bill is that because in forty or more progressive countries and some backward countries also this estate duty has been imposed, therefore it should be taken as an argument in support of the introduction of this measure here as well. Sir, may I ask whether is is a very strong argument—to quote the example of forty and odd countries in support of it? In our own country we have introduced prohibition. But I suppose that in not one of the forty countries to which the hon. the Finance Minister referred, has prohibition been introduced. We are wedded to the policy of prohibition, though my hon. friend Mr. Gidwani, who is a new arrival to this House but who has been a very old congressman, has got his own views about the way prohibition has worked in the Bombay State.

Now, with regard to the first aim that has been mentioned in the Statement of Objects and Reasons, of reducing the inequalities of wealth, as I have said, it is a very noble aim and it should be brought into practice as early as possible. But neither the hon. the Finance Minister nor any other Member who has spoken in favour of the Bill has really enlightened the House whether and in what respect reduction of inequality in the distribution of wealth has taken place in those countries where these duties have been in operation. If that information had been given to us, perhaps we would have been in a better position to appreciate the implications of this Bill.

[MR. DEPUTY-SPEAKER *in the Chair*]

So far as England is concerned, where these duties have been in operation since 1894, (now for about sixty years) in this form and in other forms for a still longer time, may I ask, in all humility, whether inequalities have been removed there? Do we not find, mansions of lords and the slums of the poor there also even now? There is the West End and there is the East End even now. How far reduction of inequalities in the distribution of wealth has taken place in England, we would like to know, and also how far this reduction of inequality in wealth has taken place in other countries. Who knows it may be a mere mirage and this desideratum may not be reached at all.

I quite agree that this is a noble aim and that it should be achieved. Accumulation of property is a vicious thing and we have gone in the direction of reducing inequalities of wealth, in as far as our Government has put an end to the princely order. The Congress Governments in several States have put an end to *zamindari* system. The Congress Governments in various other States are going to put an end to *jagirdari* and similar systems. Is this not a step in that direction? Have the far-reaching consequences of these steps been taken into consideration? In my humble opinion they should be watched with care before we start taking another drastic step such as the introduction of the Estate Duty Bill.

In this connection it should also be noted that we should be watchful of the public opinion and should see whether the introduction of this measure and the passing of this piece

[Shri Raghubir Sahai]

of legislation will be acceptable to it. So far as I know, public opinion is against the mounting taxation that is the order of the day both in the States as well as in the Union Governments. I am not opposed to taxation, if it is necessary. But at the same time we should see how far the burden of taxation can be borne by the public. Admittedly we belong to a very poor country where most people are poor. As things stand we find that most of the burden of the taxes imposed by the States as well as by the Union Government is borne by the poor people. We should therefore see that they are not overburdened with a further fresh taxation of this kind.

Sir, the hon. Finance Minister has not given us any idea about the rates of duty and about the minimum or the maximum of exemptions. Maybe he might disclose his mind in the Select Committee or at the time when he introduces the next Finance Bill. But I would like to tell the House that because of this omission there is good deal of uneasiness in the mind of the people. Everybody has become anxious or nervous that any property, in whatever quantity he may have, may become liable to the imposition of this duty. That nervousness and that uneasiness in the mind of the people should be removed. My own idea is that at the present moment the tendency is to exempt properties of ordinary size and to impose this kind of duty on very large properties. We would like to have such an assurance from the hon. the Finance Minister in regard to this matter. For the information of this House I may be permitted to quote a few lines from Dalton's speech delivered in the House of Commons in the year 1946 in regard to this duty. After having quoted a number of other Chancellors of Exchequer. Dalton said:

> "All these illustrious predecessors of mine. whenever they have touched the estate duty have touched only to increase it. None of them has ever reduced it. I propose to break with this long tradition as regards the smaller estates. but faithfully to follow it as regards the larger. *A moderate inheritance is a reasonable provision for the widow and dependants of the deceased. We should seek to assure this possibility for all.* An Immoderate inheritance on the other hand. seems to me to serve no good social purpose, and looks unseemly in these modern days."

Further proceeding, the Chancellor of the Exchequer goes on to say:

> "In the light of these observations which, I hope, will win general acceptance, I propose to raise the exemption limit for Estate Duty from £100 to £2,000. No estate of less than £2,000 will pay Estate Duty any more. I further propose to regrade the duty so that all estates from £2,000 to £7,500 are partly relieved."

And in the end while he was summing up his observations he said:

> "Of the 200,000 estates now liable (*i.e.* in the year 1946) 150,000 will be wholly free. Of the 50,000 which will still be liable, more than 30,000 will have their liability reduced, and the charge on rather less than 7,000 more will remain unaltered. *The increased duty will apply only to about 10,000 estates, or 5 per cent. of the whole number.*"

Sir, these are very important observations of a British Chancellor of Exchequer whose country had had very long experience in regard to these duties, and they should be taken into consideration by the hon. the Finance Minister here.

I am also very doubtful whether a very large yield would come out of these duties. In England it is said that out of these duties only as much as ten per cent. of the total taxation is raised. That view was expressed about 25 years ago. Now, after Dalton's amendments, perhaps that ratio may have been still more reduced. One of the learned Members of this House, Shri V. N. Tivary from U.P. has contributed a number of illuminating articles in the *National Herald* on this subject. His own estimate is that at the lowest limit this duty may yield something like rupees four crores and at the highest computation it may come to about rupees eight crores. Shri Gadgil in his address today has expressed the opinion that it might go up to about Rs. 20 crores. It is very difficult to accept either the computation of Shri V. N. Tivary or that of Shri Gadgil. But at any rate it is not going to give a very big yield as is expected. That is also one more point to be considered either in favour of or against the imposition of this duty.

Now, if the yield were to be, as I have stated, something like Rs. eight or nine crores or a little more than that, what assistance will that be able to give to those provinces in the implementation of the Planning Commission's Report? I understand that the total amount that is envisaged by the Planning Commission to be spent on those schemes would be in the neighbourhood of about Rs. 2,000 crores. Now, out of those Rs. 2,000 crores, if Rs. eight or nine crores were to be raised by this duty, would it not be a drop in the ocean?

The Minister of Finance (Shri C. D. Deshmukh): Every year.

Shri Raghubir Sahai: That may be so, still the amount would be too small. We should also, as I have stated previously, take note of the public feeling in regard to this. Will it be worth while to raise a taxation of that kind when public feeling may be against it and when it might engender more bitterness?

The Minister of Revenue and Expenditure (Shri Tyagi): What about the feeling of those who have no property?

Shri Raghubir Sahai: Well, I have got every sympathy for them; I am one of them also!

I have said in my opening remarks that I am not opposed to this Bill. I am in entire agreement with the principle enunciated therein. But I have still my grave doubts whether imposition of such a duty would be opportune at the present moment and whether we would be able to have a yield out of this which will be commensurate with the amount of bitterness that would be engendered by passing a measure of this kind.

Sir, I am not going to take more time of the House. But I wish that the hon. the Finance Minister when he rises to speak will kindly put forward stronger and more convincing arguments to carry conviction to my mind and make me a whole-hearted supporter of this Bill.

Dr. S. P. Mookerjee (Calcutta South-East): Sir, I rise to give my general support to the principles underlying the Bill. I must frankly admit that the Finance Minister's speech indicated a good deal of realism and his desire to proceed cautiously in respect of a matter which is bound to affect the entire social structure of this country should receive the support of all well-wishers of the country. Sir, this is not an occasion when we, belonging to different parties, need ventilate our ideas about different 'isms'. Let us try to look at this problem from a practical angle of vision.

My friend Mr. Gadgil spoke with warmth and eloquence. He had written a book on this subject and he assured us that he was going to revise it. Perhaps many of the things which he said will form part of the revised edition of his book. But all the enthusiasm which he displayed yesterday and today is not as old as his age is nor does it synchronise with his membership of the Congress. He was a member of the Government in 1948, so was I, when a similar Bill was placed before the last Parliament, and the short report of the Select Committee which had the approval of the then Government must have also received the approval of Mr. Gadgil. One of the reasons why the Bill was then dropped was the possibility of its coming into conflict with the provisions of Hindu Law, and this requires closer examination. As I said, Sir, I am giving my general support to the Bill and I do not wish to raise a hare but I would like to have an assurance from Government and the Finance Minister that the point of view which was expressed by the then Law Minister and the Finance Minister and embodied in the preliminary report of the Select Committee on the Estate Duty Bill of 1948 has been properly examined. Now I shall read two or three sentences from that Report:

> "A levy of any duty on the death of a member of a Hindu coparcener is foreign to the fundamental principle if coparcenary under the *Mitakshara* Law."

No individual member of such family can forego that. He has a definite share in the property. His interest is a fluctuating interest capable of being enlarged on deaths in the family or liable to be diminished by births. The provisions of the Hindu Code regarding succession and the structure of a joint family would therefore have a considerable bearing as to how this duty can be levied on the death of a member of such a family. Among the signatories, Sir, was also you, yourself. Now I am not suggesting for a moment that we should not consider this Bill pending a revision of the Hindu Code but this has raised certain fundamental points regarding the operation of this Act when it comes to be placed on the Statute Book. I would like to know from the Finance Minister, apart from

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some general observations which were made by a few Members, how exactly these difficulties, so searchingly pointed out in the report of the Select Committee, will be met in the actual operation of this Act. Sir, there are just a few suggestions which I would like to make for the consideration of the Select Committee. Now let us be very clear in our minds. We are not expected to birng a millennium in the country by the passing of this measure. The Finance Minister said that it is a social and economic measure. It has both social and economic aspects. It has a psychological aspect also. There is a feeling which is also well grounded in the country that whatever Government does today somehow does not affect the wealthier classes of the Indian community. Either it is done purposely or they somehow evade from the decision which may be taken by the Government from time to time. The question of equality, of having some sort of fairer distribution of the available wealth of the country is nothing new. It is age old and naturally some positive steps should be taken by our Government for the purpose of securing this very laudable object. This Bill seeks to achieve this aim to a certain extent but we must be more clear about one or two important aspects of the problem. It is not by merely imposing fresh taxation or mopping of whatever surplus wealth there may be in the country that you are going to effect nation-wide improvement. Reference has been made to other countries where similar Acts are in operation—44 countries, the Finance Minister said yesterday. Mr. Gadgil said yesterday that this is the beginning of the disappearance of private property. I do not look at it from that point of view at all. We need not look at it from that point of view. Many of the countries where Estate Duty Bill has been put in operation have not evolved their social or economic structure on that basis. Private property exists there. At the same time there is a systematic and scientific mopping of extra wealth which will be available in that country. But supposing we draw out whatever wealth is available in the country, the question then arises: what about the distribution? How does it really help to raise the standard of living of the people and how does it help the poorer sections of the community. Take for instance, four or five important directions in which our Government must move sooner or later. One is the question of employment. We have said in the Directive Policy chapter in our Constitution that provision for full employment will be one of the objectives of the State. Where do we stand today in the realisation of this objective? Unemployment is mounting up and sometimes it follows some decisions which are taken by Government with obviously good intentions. For instance, Sir, take the recent proposals to effect decontrol, progressive decontrol. In my own Province a few days ago I received a deputation from the employees of the Food Department in West Bengal. I was told that the first axe will fall on nearly 15,000 employees and there are more still who may be affected thereby. Now if you apply it to the whole of India, it may affect about 100,000 families. Progressive decontrol of food may be desirable but it immediately brings in another problem, creates unemployment affecting about one lakh of families which means five lakhs of individuals. Now has Government any scheme for the purpose of avoiding such a catastrophe? Well, Government may say it is hardly possible for them to absorb these people all at once. They can find some solutions and indicate the possibility of their obsorption if and when vacancies will arise. But this is just by way of example. We should try to provide some sort of employment to our people, whether it is by some systematic scheme guaranteeing full employment or having some sort of unemployment insurance scheme which has been adopted in various countries. Take for instance the question of national health. Yesterday we had questions on the spread of tuberculosis and the startling figures which were disclosed when the reply was given, which are well-known to many of us, presented a problem which almost seems to be insoluble. Is it possible for the Government to have any such National Health Insurance scheme as they did in England?

Take for instance, education. Mr. Gadgil spoke about equality of opportunity. What equality of opportunity can you give to the people of this country unless you have some definite scheme for providing free education at least till the primary and secondary stages. There are countries today where free education is being given right up to the University stage. Similarly with regard to other schemes of development. Take, for instance, old age pensions. We know that there are many such persons in this country who are in a perpetually starving condition. Who protects them? Who takes care of them? We heard yesterday and today many speeches dealing with the good aspects of a measure like this. I am not minimising them. What I am saying is that we must have a balanced approach to the problem. This is a negative approach. Government wants money; therefore there is to be taxation. And this is one of the recognised methods of taxation. Let us agree to that. But, at the same time, let us know from the Government what the proposals are for tackling the grave and widespread economic discontent. I know the Finance Minister will say that the Planning Commission report is there. The Finance Minister is very modest. Sometimes ability and modesty go together very well. So far as the Planning Commission report is concerned, he has said that he has not disillusioned the people. He has not held out hopes which he knows will not be fulfilled by him or by his successors. The Planning Commission report, if it is implemented, will not effectively solve any of these problems which touch the people and which the people today are anxious to see solved.

I would like to make some suggestions for the consideration of the Finance Minister. First of all, reference to the joint family has been made. This joint family system has been in vogue in this country from time immemorial. This is not the time nor the occasion when we should discuss about the merits and demerits of the joint family system. But, undoubtedly, it is true that it is not only a social order but it represents certain ideologies, certain thoughts in the minds of millions of our countrymen, which have gone on from generation to generation. We cannot look upon those who are connected with our family, even those remotely connected, with that distant and individualistic standpoint as the westerners do. That has been the structure of our society. Every one here knows that there may be some distant relatives of many who are being helped with Rs. ten or fifteen a month. Some obligation like that comes, which you cannot deny. That is how the Indian society, the Hindu society has developed. What are we proposing to do here? I am not saying that it will disrupt the structure of Hindu society. There is a possibility of the social structure being disrupted unless certain precautionary steps are taken at the preliminary stage. From that point of view, I would like the Finance Minister to consider the desirability of fixing the minimum at a fairly high figure. Of course, the Finance Minister has not mentioned any figure. I know there may be difficulties. The whole idea is that we propose to impose a tax on those who represent the richer elements of the community. But, this Act is not going to affect the rich elements alone. As my hon. friend over there just now read out from a speech in the House of Commons, there, a minimum limit of £200 was laid, which comes to Rs. 2,500.

Some Hon. Members: £2000.

Dr. S. P. Mookerjee: Now it has been raised. Formerly it was £200 or even less. Let us not go away with the impression that this Bill is going to affect the rich people only. It may affect all unless some precautionary steps are taken.

I was trying to collect certain figures and the Finance Minister will correct me if I am wrong. Are we really a rich country, as we stand today? I know the Income-tax returns are not always safe because there may be many evasions. But, the figures that I have been able to collect show that today eight lakhs of people pay Income-tax in India.

Shri C. D. Deshmukh: Nine lakhs.

Dr. S. P. Mookerjee: Out of 35 crores of people, nine lakhs pay Income-tax. If there is 100 per cent. evasion, it may be 18 lakhs, earning above the minimum figure. There cannot be 100 per cent. evasion, because it will be a discredit to Mr. Tyagi. What are the different groups among this total number? Persons with an income of over 10,000 will be only about two lakhs, which means seven lakhs of people are earning less than Rs. 10,000 or so, in this country. Those who are earning above one lakh will only be about 5,000. Mind you, it is not individuals alone; this includes firms, companies, etc. Let us not delude ourselves into thinking that there are rich and wealthy people in large numbers roaming about in different parts of the country and as soon as this Estate Duty Bill is passed, we get hold of them and squeeze out lakhs if not crores. That is not really the position. It is undoubtedly true that there is disparity and the disparity is scandalous. There are some people who are fabulously rich; there are people who are hopelessly poor. But, the number of rich people in the country is not so extraordinarily high as will enable any Government to derive any large amount by a taxation of this nature. I would therefore suggest to the Finance Minister that he should consider first of all the desirability of fixing a minimum at

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such a sum which will not disturb the poorer sections of the community. What that sum should be—it was one lakh in the Bill of 1948—it is not for me to suggest. It is for the Finance Minister to consider. This can be inserted in this Bill or in the Finance Bill. If he does it today, by an amendment of this Bill, there will be a lot of consultation and discussion even amongst his colleagues. If he does it as part of the Finance Bill, that is a secret which the Finance Minister is entitled to carry in his pocket and he can just fling it on the floor of the House, without much possibility of even his colleagues knowing what the bag contains. He may do it at a later stage. That is one point.

Secondly, about buildings for residence. Suppose a father dies leaving one house or two houses, where the children reside, without any large cash. What would be the result? If you calculate the value of the houses and ask them to pay on the basis of such valuation, it may create difficulties, which should be taken into account. I shall not go into the details. It may be limited to one house. I am not thinking of distant relations; I am thinking of the direct descendants—sons, grandsons, or an old father. If there are nephews or other people who take them, naturally, the consideration may be different. Now, this question of windfall has been referred to from time to time. I would respectfully submit that this windfall does not apply to Indian families: I am speaking as a Hindu; I can speak for Hindu families; perhaps it is so in the case of Muslim families also. There is a continuity. When a father dies, you are not starting on a clean slate. There are certain things which you will hand over to your descendants unless you come to such a stage of social development when the State comes forward and takes charge of everything including education and training of your children and gives you money if you can produce more children. If the State comes forward and undertakes all these responsibilities, then, it will be different. If without making provision for all these minimum facilities, there is an attempt on the part of the State to knock off whatever wealth may be in the country, obviously, it will not operate favourably.

Then, there is the question of life insurance. If you have provident fund money or life insurance money, I would suggest that the whole of it should not be subjected to this duty. It is quite possible that no cash is in the hands of the heirs. If 50 per cent. of the life insurance amount is exempted from the operation of this duty, it may be easier for the Government to realise the duty in relation to the entire estate. This question also should be considered.

Then there is the question of payments in instalments. I do not know if it will be covered by the rules, but supposing you cannot pay, then the land will have to be sold. Will Government become the buyer? Is there any possibility of Government taking over the house? Let a valuation be made and Government take the property, deduct whatever duty has to be paid thereon, and hand over the liquid cash to the party concerned. I do not know whether this is workable, but in any case, the desirability of payment in instalments should be kept in view.

So far as gift is concerned, in the Bill it has been proposed that any gift that is made must have been made at least two years ago. I would submit that no time limit should be imposed. Why should the Finance Minister...

Shri Tyagi: Then, everybody will gift his property two minutes before he dies.

Dr. S. P. Mookerjee: What does it matter? It is for the purpose of charity. The object of the Bill is not that Mr. Tyagi must grab at the extra wealth, but that it must be properly distributed. Supposing somebody says he will give his property to public charity, why should we object? I know charity begins at home. I am not referring to that sort of charity. You can exclude private charity, but if there is any charitable intention on the part of an individual, if at the time of his death, he wills away his property to some public institution, or for some approved purpose, why should we discourage it? The Finance Minister may consider the possibility of defining what is public charity. There may even be provision for Government to step in if there is any collusive attempt for giving away one's wealth which will be ultimately transferred to his relations or to other people whom he wanted especially to support. After all, the sentiment in favour of charities is in the Indian mind—how many institutions have not developed in this country by reason of very large charities which have come forward from large-hearted individuals? I can think of Sir Tarak Nath Palit, the great Barrister of Calcutta. He willed away his entire estate worth Rs. fifteen lakhs which went to the Calcutta University, and was primarily responsible for the foundation of the College of Science, which is now a credit not only to Bengal, but to the whole of India.

Let us take into account the Social conditions existing in India. Let us not try to copy something from some foreign country merely for copying. The main objective of this Bill is that extra wealth should be properly distributed, that there should not be too much of dependence on unearned income. That is a suggestion which the Finance Minister may take into account.

I do not propose to make a long speech at this stage, but....

Shri Tyagi: You mean only charitable gifts?

Dr. S. P. Mookerjee: I only meant charitable gifts, for public charities and not private charities or gifts for other purposes. Of course, so far as movable things like family heirlooms or things like that are concerned, if we had a minimum limit fixed fairly generously, all those things will be included therein.

The Government are naturally anxious to have extra revenues, and they are embarking upon this, but as was pointed out by the previous speaker, it is not expected that we are going to have a very large sum out of this. It may be four, five or six crores. It is not going to help the country in the realisation of the various schemes which it has now before it. So far as the States are concerned, I know the Constitution provides that Parliament by law will determine how this amount will be distributed among the States. I would like the Finance Minister to consider whether the Finance Commission which is now sitting and dealing only with the question of distribution of income-tax, may not be asked to take up this question also. At any rate, the Commission may make some preliminary enquiry and supply materials to the Finance Minister, so that the basis on which the Bill will have to be drafted for the distribution of the revenues accruing out of the estate duty may be considered in a comprehensive and integrated manner. It is just a suggestion I am making.

Shri C. D. Deshmukh: They will probably have submitted their report.

Dr. S. P. Mookerjee: I believe you may solve the problem of unemployment by giving an extension to the Finance Commission. That is not an insuperable difficulty. There may be other ways of doing it.

So far as the States are concerned, it does worry some of us that unless there is some directive principle rationally and properly formulated, this amount may not be properly utilised by the States.

Shri Tyagi: There may be constitutional difficulty.

Dr. S. P. Mookerjee: I conclude by saying that if the Government is really anxious to have more revenues, the time has come when the Government should take its decision on two important matters. One is the reimposition of salt duty. So far as the salt duty is concerned, I know that there is a good deal of sacred feeling associated with it, but let us look at it from the practical point of view now. The struggle against the salt duty was there as a part of the movement for the political emancipation of the country, but we want now money badly for translating this political freedom into economic freedom, and the money is not there. The withdrawal of the duty has not helped the masses, it has only benefited middlemen. If we have the salt duty imposed, we get twelve to fifteen crores of rupees yearly. So far as prohibition is concerned, that also is a matter which should be very carefully and rationally considered by Government. I am not suggesting that you give the go-by to prohibition. But we have lost nearly Rs. 40 crores per annum roughly calculated, including the heavy cost of expenditure which we are now incurring. Even if you try to have half of it, even if you have a modified scheme for prohibition, you can get Rs. 20 crores. With this Rs. 20 crores, and Rs. 15 crores from salt, you get about Rs. 35 crores per year and for your Five-Year Plan, you can get nearly about Rs. 175 crores. This is a suggestion which I am making to Government. I know the difficulties which are there, but if we are really anxious to get more money from the country without hitting the poorer people or the middle class people

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this is a means which Government may adopt.

And lastly, as I began by saying, it is vitally necessary that when Government comes forward with such proposals for taxation—and fortunately, there is general support from all sides of the House regarding the fundamental basis of this Bill—Government must also come out side by side with the assurance that this money is going to be really utilised for development purposes which, sooner than later, will result in the raising of the standard of living of the people and the removal of some of the basic wants of millions of our under-fed and under-nourished countrymen which is becoming an object of social and economic menace in India.

The House then adjourned for Lunch till Half Past Two of the Clock.

The House re-assembled after Lunch at Half Past Two of the Clock.

[MR. DEPUTY-SPEAKER *in the Chair*]

Shri S. S. More (Sholapur): On a point of information, Sir. May I know whether the discussion on this Bill will be carried on till Monday? There are many Members who want to speak and we do not know what is going to be the length of the discussion. As I do believe that it is an important measure, I feel that all points of view should be before the House, before the matter goes to the Select Committee.

Mr. Deputy-Speaker: I have no idea. Does the hon. Minister want to conclude it today?

Shri C. D. Deshmukh: I have no desire to stifle discussions on this important measure, and so I am entirely in the hands of the House.

Shri S. V. Ramaswamy (Salem): There are many points to be considered, with regard to the definitions and the wording of the clauses of the Bill, and I think if the views are expressed here, they will help the Select Committee very much.

Shri S. S. More: Do you think that the discussion will be carried on even on Monday?

Mr. Deputy-Speaker: If it goes to Monday, it will go on till Monday. Possibly we will conclude it on Monday.

Shri C. D. Deshmukh: I should imagine that it will be possible, because the House itself will find that that is adequate.

Mr. Deputy-Speaker: The hon. Minister will perhaps take an hour for his reply.

Shri C. D. Deshmukh: About 40 minutes, Sir.

Shri Velayudhan (Quilon *cum* Mavelikkara—Reserved—Sch. Castes): Sir, I was closely following the discussions on the Estate Duty Bill, and I should express here that I will have to congratulate the Finance Minister, for having brought forward this Bill again in this House, because we were always under the impression that the parent Bill had died already. Compared to the Bill that was introduced in the Provisional Parliament, the Bill that is before us in its present form has undergone substantial changes, and the Finance Minister himself has in moderate tones expressed the objectives, reasons and other cogent points in the Bill. Hon. Members who spoke from the Congress benches were very much enthused over this Bill, and I must congratulate my hon. friend the elder Member Mr. Gadgil on his inspiring speech on this Bill. He has not only enthused me but many others who are called the progressives in this House. Yet I must say that even though the Bill will go to a great extent in removing the inequalities in the properties, it will not bring a new era of hope to the millions of people in the country who are propertyless, and the labourers who are starving. I cannot engender pious hopes as Mr. Gadgil has expressed regarding the result of this particular Bill. I attach to this Bill a great significance from this point of view namely that it touches the great Himalayan rock of the Hindu structure of society which it is very difficult to change and I welcome this Bill simply because of this reason. As we all, who live in India of today, are aware, the Hindu society is very difficult to change, and that is why we are having a lot of difficulties both economic and political-*cum*-social. Some friends or some political parties or groups are clamouring with outbursts, for an economic revolution in the country and for equality and liberty. I have to add something more to that because I have a genuine fear whether all these call for economic equalities will bring social equality, and whether it will lead to the dawn of social democracy in the country. I was having that feeling judging from the way the legislations of the Government of India have been going on. Economic equalities should come but they must have a clear direction towards social equality.

Dr. Mookerjee has expressed his fears regarding the joint family system in India. I have nothing against the joint family system in particular, which has served its own purpose in the country. If it had no purpose, it would not have been there. At a time when India was disintegrated, when there was chaos and confusion in society, our forefathers moulded a certain system of social order; and this had its great use at that time. Now the times have changed a lot. With the impact of Western civilisation, I think it is high time that Hindu society should also change accordingly. Otherwise it will not be able to stand the test of time. When there are fast economic and political changes in other parts of Asia, India cannot be aloof from them. Therefore the approach of the Government in this direction in changing the Hindu social structure is welcome. but at the same time we must see that it will inaugurate an era of social democracy also for the people of this country. The joint family system is fast cracking in India. Most of the States have passed legislations regarding inheritance, succession etc. Therefore that old institution has disappeared to a great extent in many parts of India. But it is a great problem to eliminate it completely. That is why Dr. Mookerjee as well as some other hon. Members also have their own fears about this legislation. I also have my own view that private property has its own place in India today and also in any future structure of India. It cannot be eliminated completely, and it has got its own sanctity also. It will have its sanctity at any time and at every time in society. Even in a Communist society—if there is a society like that—certainly I say that private property will have its own sanctity and it will have to be kept intact. But that does not mean that exploitation of man by man should continue. Today the society is based on a capitalistic system and it will have to be washed away as soon as possible.

The Estate Duty Bill is a limited Bill. Its scope is limited. From the point of view of its economic implications also it is a limited Bill. The Finance Minister in the next Budget wants some money and he has to bring in this Bill now for his purpose. In order to implement the Planning Commission's recommendations, he wants money. It is practically a part of the Finance Bill, I will say so, Sir, if it is correct. But the country is apprehensive and we are all apprehensive whether the finances that the Government is going to get through this particular Bill will be properly utilised and whether the Planning Commission itself will be a success or not. The picture of the Planning Commission is not yet complete. The Finance Minister himself said yesterday that more than 800 crores of rupees had already been spent according to the Planning Commission's decision. How this money has been spent? Why has it been spent? Why is there famine and poverty in the country? Has the Finance Minister looked into this elementary problem of the country when he has spent away about 800 crores for the development of the country?

Take, for example, my part of the country, I mean Travancore-Cochin State. I am grateful to the Finance Minister for giving due attention to my State, regarding her economic condition, the famine and starvation now prevailing in the west coast of Travancore-Cochin. These conditions prevail not only in my part of the country, but in Madras, Bengal and most other parts of India. How has the present Government utilised this money for solving this primary problem in India? The Government cannot solve this problem by simply doling out some money to this Ministry or some to that Ministry or according to the development plans of any particular Ministry. An overall plan is necessary. The present system will have to change: it cannot stand the test of time and it has not stood the test of time already in India. How has it to be changed? I do not want a violent revolution in the country, but a revolution by legislation is a futile attempt, I will say. We must have a plan. The Five-Year Plan should not wait for ten years to be implemented. That is a very bad example in a country like India which has vastly changed. Why are there pockets all over India—pockets of poverty and starvation? That is the main problem now facing India. Unless and until that is solved, there is no use of legislation like this.

Shri D. D. Pant (Almora Distt.—North East): What is your plan?

Shri Velayudhan: I have my own plan but I am only in a minority here.

Shri S. S. More: You may ask the Treasury Benches.

Shri Velayudhan: If I want to argue on this, I can argue a lot. But here is a reality now, Sir, facing the country. When this is an effort to equalise wealth in the country, let us face the problem really. Let us not hide it. I think 'gradualism'.......

Dr. Lanka Sundaram (Visakhapatnam): 'Gadgilism'.

Shri Velayudhan:......in certain aspects of our political and social life it is good. But 'gradualism' in an economic change is a very dangerous thing. All these maladjustments of society for the last so many centuries, are to be cemented and how can we wait any longer when we have got independence and when we are in a free country? The one remedy now is to get out of the present unrest in the country. There is a psychological unrest in the country. I do not say there is a political unrest. I must say, for my part, at this time a proper approach to the problem of the country has not been made either by the Congress Party or by the Opposition here. They have failed miserably. I must say there is no opposition to the Government today by anybody.

Shri T. K. Chaudhuri (Berhampore): There is an opposition of one at least.

Shri Velayudhan: Of course there is one and I am.......

The Minister of Agriculture (Dr. P. S. Deshmukh): He represents the Centre.

Shri Velayudhan: Therefore, Sir, what I would point out to the Finance Minister is that the position in India is becoming explosive psychologically. How is he going to solve it? How is he going to solve the famine and poverty now prevailing all over India? Of course, the hon. Prime Minister has gone from one end of the country to the other. He has got millions of people to worship him. It is a very good thing and I am proud of it. But I must say, Sir, that that will not solve the problem of India. He has got the greatest opportunity unlike any other man has got. Even Gandhiji had not got so much opportunity as the Prime Minister of India has got today. People are hoping for something from the Congress Government. That is why they are supporting the Congress more and more today in many States in India. I must say including my State also. I must say this is a reality because people think that the Congress can do something. They are in power today and therefore they will do something; they hope for it. But what are you going to give them? This is a very dangerous thing to gain hopes from people and then disappoint them. It is more dangerous than the previous situation. The people are now hoping for something. When are you going to give it, as Mr. Gadgil has said? I must say he has rightly approached the problem, if his hopes are supplemented by action; then certainly there will be a change in the country, a great economic and political change as well as a psychological change.

I do not know how many crores of rupees the Finance Minister expects to get from this Bill for implementing the Five-Year Plan. Perhaps he may expect 20 or 25 crores; or he may be expecting about 50 crores. But at the same time, crores will not solve our problem. Unless we have a plan for the people, unless we have a definite plan as to how a new social order is to be founded in India, all the money spent will be waste just like putting it in the Arabian Sea. That is why I feel from this angle, Sir, that the Government in spite of all this, have not definitely evolved a plan for a new social order. Let it be a capitalist-social order, I do not mind. But let us know that there is a capitalist-social order that the Government is implementing. Let us know that there is a social order for which the present Government of India stand. Let them work for a socialist order as in Britain: let them evolve a plan for it. But even that they are not doing. They say there is mixed economy. What is this 'mixed economy'? People say that America has got a mixed economy. But are we able to be on par with America when our wealth is very meagre? You yourself had gone to America recently. There is a great amount of wealth in that country. We cannot even imagine about the wealth that the American people are producing? How can you have a kind of mixed economy in India when Indian standard is very low. Unless and until we evolve a socialist system, a scientific socialist system, it is impossible to solve the problems of India. Let the people of the country know that the present Government is going through this channel and then there will be enthusiasm, there will be cooperation for which the Finance Minister and the Prime Minister are very much anxious.

Of course there is co-operation. There is enthusiasm also. They will be there but at the same time let the people get some benefit, some profit out of the Government. That is what is required, Sir, and therefore I welcome this Bill, which is a fiscal measure. It may not very much change the economic system of India but it will definitely cut at the very root of the Indian social structure. Orthodoxy may go; but at the same time I must say that unless the Finance Minister comes forward with a definite plan many of these measures will be a waste and I think that they will realise it by the end of this term of Parliament. With these few words, I commend this Bill.

Shri Bansal (Jhajjar-Rewari): Sir, I am thankful to you for giving me an opportunity to speak on this measure. In this House two extreme views have been expressed on this Bill. One was by my hon. friend Mr. Gadgil; and he seems to think that after the passage of this measure the gateway to prestige, power and privilege, would be destroyed. The other view has been expressed by some Members of the Opposition who think that the bastion of the joint Hindu family will fall after the passage of this Bill. As is almost always the case the truth is in between.

The hon. Finance Minister has referred to the chequered history of this Bill. I have also tried to delve into that history and I find that at the time the Todhunter Committee was examining the merits of this measure, they came to the conclusion that the *Mitakshara* Hindu family in this country will create a number of difficulties in the implementation of a measure like this. After that Committee, when the Simon Commission came, Sir Walter Layton, the Financial Adviser to the Commission, also examined the possibilities of this measure, and particularly probate duties. He also came to the conclusion that together with the difficulties inherent in the Hindu Law there were very sound reasons not to depend on this source of levy for a very stable source of income. The same conclusion was reached by Lord Eustace Percy in 1932 and after that Sir Allan Lloyd also came almost to a similar conclusion. Then, Sir, the Bill was moved in the Assembly in 1946 and referred to a Select Committee. This Committee gave an interim report, to which a reference was made by the hon. Dr. Syama Prasad Mookerjee. But he forgot that after that interim report there was another report of the Select Committee which came to the conclusion that the joint Hindu family was not a very insuperable bar to this measure and whatever difficulties were there could be got over.

By referring to this historical aspect, what I want to emphasise is that it is not such a rosy measure as our hon. friend Mr. Gadgil pointed yesterday; neither is it going to be a measure which will cut at the very root of Hindu joint family, although there may be some difficulties. Therefore I am one of those who believe that the time has come when we have to take a more balanced view of things. After all we must move with the times and the demand of the times today is that we can no longer burke the issue and should have a legislation like this on our statute book. But I have a genuine fear. Our countrymen are always apprehensive of taxation measures. I have experience of my own constituency where I have been touring during this recess and I have contacted a number of people there and they have conveyed their apprehension of this measure to me. And when I told them that this measure is not going to apply to the middle classes or the lower middle classes and will leave a very big section of the population untouched, they were not impressed, because our Bill does not make any mention of any limit below which the duty will not be attracted. I therefore very strongly suggest to the Finance Minister that even at this stage he may consider the advisability of introducing in this Bill by an amendment a limit below which the Estate Duty will not be attracted. I am not referring to the rates of tax. A measure like the present one has to be sold to the people. I cannot help saying that Mr. Gadgil has not helped in that direction. After all it is admitted by everyone that it is a revolutionary measure, it is a measure which will increase taxation in the country and at this juncture particularly it is not very easy to go and convince them that a taxation measure is going to be very helpful to them. It is a sort of quinine and when a good doctor is administering quinine to his patient he sugar-coats it so that the patient takes it down quietly. And so, I would suggest to the Finance Minister that he should put in a definite limit and have that in the Bill itself rather than leave it to the annual Finance Bill. Of course, the rates of tax he can always have in the annual Finance Bill.

Then before coming to other points of the Bill, I would refer to some loopholes. One is tax on agricultural property for which the States have

[Shri Bansal]

not yet passed resolutions under article 252 of the Constitution. What will be the effect of this? Supposing there are two neighbours in a State. One of them has agricultural property in the Scheduled State and the other has agricultural property in a non-Scheduled State. The result will be that one will have to pay a higher tax while the other will have to pay a lower tax. Our experience with the Sales Tax administration and the attitude of the State Governments in regard to that measure has not been a very happy one, and therefore to depend on some sort of agreement and on persuasion, and to think that States will be persuaded to adopt a resolution under article 252 after the passage of this measure. I think, is not a very good thing. Therefore I would suggest that the values of the properties should be aggregated and the property which is taxable should be taxed on an average rate or at the higher rate so that gradually the States that have not adopted this resolution will also be forced to do so.

Shri C. D. Deshmukh: They are going to pass resolutions in their Legislatures.

Shri Bansal: Thank you. The other loophole is in regard to property in foreign countries. Only movable properties will be subject to this levy but not immovable property. I do not know why this loophole has been left in this Bill. I say this particularly because in recent years there has been some clandestine export of Indian capital to foreign countries and if this measure remains in its present form the only result will be that our capital which is outside will be invested in immovable properties. And therefore, I would suggest that this loophole also be removed. There may be some administrative difficulties. There may be some difficulties with regard to our citizens in eastern countries where they have been living for ages. But they will have to be got over. Another suggestion that I would like to make is that the resident and non-resident criteria in our income-tax law is not very sound. We should have some type of permanent migration law and a law defining citizenship rights and if this is done I am sure some of the difficulties referred to by me just now can be got over.

3 P.M.

Then the main difficulties which were pointed out regarding the operation of our *Mitakshara* law have been very ably answered yesterday by my hon. friend here, Mr. Altekar, and I wish Dr. Syama Prasad Mookerjee had been here to listen to him. I will here refer to one or two defects to which you yourself referred in 1948 when a similar Bill was before the House. This is what you said:

> "If the estate is individually taxed irrespective of the number of children which the individual leaves, the very purpose of rendering social justice will be denied. There would not be that equality of sacrifice. Let us take the case of a person who leaves behind him Rs. two lakhs as property, but he leaves only one son. There is another with a lakh of rupees and he leaves behind ten children. The ten children will divide this property as ten amongst themselves or Rs. 10,000 each, whereas one boy will get Rs. two lakhs. Rs. two lakhs are no doubt taxed but Rs. one lakh is also taxed whereas Rs. one lakh is distributed over ten children. Once again in spite of this imposition of estate duty there will be enormous difference between man and man in regard to wealth. I am therefore of opinion that instead of an estate duty of this kind, where the property is taxed and is left by the deceased, the property received by the various heirs and successors may not be taxed and then it is possible to adjust the rates of taxation also to give exemptions up to a particular limit."

There is no sanctity about this suggestion, but what I would suggest is that the Select Committee may go into this question and arrive at some sort of agreed formula by which it would be possible to have a lesser rate of duty when an estate is left to more than one successor. That will remove a genuine difficulty in our country where there is no law of primogeniture.

Then there is another difficulty. There is a provision in this Bill regarding the estate left to a Hindu widow. Supposing there is a joint family in which there are five brothers. One brother dies. The widow gets the right in the supposed share of the deceased. At that stage the property is not really passing to the widow nor to the brothers. What I suggest therefore is that at that stage there should be no levy, but when the widow dies and when the property really passes on, there should be a levy at that stage and at that time a value should be placed on the interest of the widow and taxed. A similar provision could be made with regard to the Wakf in case of Muslims.

Then the Bill provides that all gifts made within two years of death will be liable to this duty. When the Bill was being discussed on the last occasion, my hon. friend Shri T. T. Krishnamachari was of the opinion that the period should be one year. Even in the discussions yesterday, one year was suggested. After all, as I said, we must make it a sugar-coated pill. Let our people accept it and get used to it. After a year or two, we can bring an amendment and extend the period gradually to two years. Nothing will be lost by having the period one year just at present.

Although the clause relating to charities in present Bill is an improvement on the old one, I am of opinion that gifts to charities should be completely exempted. After all, under clause 15B of the Income-Tax Act we are giving certain exemptions for charitable purposes. If income can be exempted from taxation for certain charitable purposes, I see no reason why property should not be exempted. Government can lay down the conditions and say that only those charities that fulfil certain conditions will be recognised by Government for this purpose. Even now certain charities are recognised and exemption is given to recognised charities only. I suggest that these very charities should be recognised for the purpose of this Bill. The purpose for which Government want this duty is a public purpose and the charities which have been defined and recognised by Government are for public purposes and there will be no harm done if such charities are exempted.

[MR. SPEAKER *in the Chair*]

Then I have another suggestion to make with regard to insurance policies. This Bill says that insurance policies, whether assigned or not, will deem to pass, on the death of the insured. People go in for insurance for various reasons and one of them is to make some provision for their children or for their heirs. The other is to insure against risk. In many of the States of America, all insurance policies are exempt from tax and even under the federal law there is an exemption limit to the extent of 40,000 dollars. That is a fairly high limit. I do not know if there have been any changes subsequently, but this was the position until recently. If this is allowed, there would be another advantage, and that would be that when property is taxed the person concerned will not find it difficult to find the money to pay the duty and this, in fact, will encourage the insurance habit. After all, what is insurance? The insurance money goes to the insurance companies and a large chunk of it comes to Government by way of deposits. These deposits can always be used by Government, and actually they use them for their ways and means programme. Therefore, if such a provision is made in the Bill, the Government will be encouraging insurance. They will also make it possible for the individuals to pay their dues easily. Government's ways and means programme also will not be affected.

Some persons insure against certain accidents. For example, nowadays there is a practice steadily growing that whenever one flies or goes to foreign countries, one insures oneself, and that is done to cover oneself against accidental death. I think the Select Committee should consider and if possible try to exempt at least a major portion of such policies from this duty, because otherwise lower middle class people like myself, for example, will be seriously affected. I know that people like myself when they travel by air, insure themselves for a lakh of rupees, because that is a round figure and it costs only Rs. ten. Supposing an accident takes place and one dies, I do not understand why Government should impose a tax on that sum, because after all this is a sad occurance in the family and this amount is a sort of insurance amount on which they can fall back.

Quite a number of suggestions were made yesterday about quick successions. There are more liberal provisions in this regard in various other countries including the U.S.A., Japan, Chile etc. I think that in the circumstances of our country particularly to start with, there should be more liberal provisions as regards quick succession of deaths.

Then about residential houses and personal effects. If there is an inherited property which is being used as a residential house by the joint family, I think that that property should be completely exempted. After all, Government are encouraging housing in the private sector, industrial housing, housing for the masses and so on. Therefore it will encourage house building in the private sector if Government came out with a declaration that...... (*Interruption.*)

The Deputy Minister of Finance (Shri M. C. Shah): Supposing the value is Rs. 50 lakhs?

Shri Bansal: You can put a limit there.

Mr. Speaker: It would be better if the hon. Member is allowed to proceed without interruptions.

Shri Bansal: Then on a point of clarification, the hon. Shri Gadgil yesterday referred to private companies. He said that private companies would be taxed. I do not find any reference to private companies. There is a reference only to controlled companies and that is quite a different thing from "private companies". I would like the Finance Minister to enlighten the House on this point.

One more point and I would have done. Government should introduce certain provisions in this Bill so as to avoid forced sales of property. Supposing a person dies leaving only property but no cash, what will happen? Or supposing he dies, leaving only shares in companies. If the Government goes and asks him to pay the amount all at once, then forced sales will occur. At that time there may not be the requisite number of buyers, or the value may depreciate on that forced sale. Therefore, Sir, the Select Committee, in my opinion, should consider this point and include certain provisions which will mitigate this hardship.

Shri M. A. Ayyangar (Tirupati): Sir, I rise to clear up some of the misunderstandings that have arisen, or some difficulties that have been referred to by some hon. Members. First of all, I welcome the Bill on this ground. This measure is a natural consequence of the various steps that the Congress Government has been taking since it assumed office in 1947. We have done away with the Maharajas and Rajas. The existence of these Rajas and Maharajas in various States was a potential danger to democracy. We have established peoples' *raj* everywhere. (*An Hon. Member*: The Maharajas have come here!) But we have taken the wind out of their sails.

As a next step we have not allowed any if the *zamindars* under the Permanent Settlement in various States to continue to be in possession of their property. That was equally a great danger to democracy. If a particular individual is in possession of large—though not immovable—properties, it is equally a great danger to democracy and there is also social injustice. After all a man acquires wealth by the kind of peace that the Government ensures to him. If today Government help is withdrawn, all the others will share his property without any difficulty at all. It is the Government which ensures him possession of that property. After all one man ought not to be allowed to become too rich, lest he might grab away the property of others. I welcome this measure on that ground also.

Though *zamindaris* have been abolished in my part of the country, Madras, there are persons in possession of large areas of land. Even a small *zamindar* would not have had as much land as a non-*zamindar* or a *ryatwari pattadar* has in my part of the country. There are persons, for instance, who have a thousand acres of rich fertile land in Godavari and other delta areas. In fact they are much richer than the erstwhile *zamindars* whose property has been taken away. Therefore, it is but reasonable that landed property of agriculturists should also be within the scope of this measure. One is easily convertible into another.

This measure is not likely to result in fragmentation at all. If a tax is imposed. I do not see how it will lead to fragmentation of holdings. It would lead to fragmentation if there are a number of heirs to divide that property—not merely because an estate duty is imposed. They will sell only a portion of the property, if necessary. So, that cannot be an insuperable objection to the imposition of the estate duty. The main principle of the estate duty is that though a rich man is dead his personality should not be allowed to survive by his estate being handed over from generation to generation.

On an earlier occasion when a similar Bill was before the Assembly, I made a suggestion that instead of its being an Estate Duty Bill, it may be a Succession Duty Bill. Take for instance a concrete case. A person who has got ten children and another who has got only one son die. Each of them leaves behind Rs. five lakh worth of property. Whereas in one case a single individual takes away all the property in the other case it would be divided among ten persons.

Particularly in view of the fact that we have not undertaken in this country all the social security measures which have been adopted in other welfare states, such a measure is very essential. But at the same time I would request the House to consider whether instead of being an estate duty it should not be a succession duty. No doubt from the point of view of finance and revenue to Government it may not yield as much revenue as the other one, because each man will have to be given exemption. So, from the pecuniary point of view, it may not yield sufficient results. But from the point of view of rendering social justice, I am sure it will render better justice than the estate duty. It is therefore for the Select Committee and the hon. the Finance Minister to consider whether this cannot be converted into a succession duty. It may not be a very great deviation in principle. Under one entry in the Union List we are entitled to pass Estate Duty Act while under the succeeding article we can pass the Succession Duty Act. This measure may, therefore, be easily changed to a succession duty, or there may be a combination of both by some device.

Then again, so far as the joint Hindu family is concerned, this Bill is not in any way going to lead to its disruption. This Bill contains a provision that if a member of the joint Hindu family dies his property will be treated for the purpose of estate duty as if it was divided at the time of his death. In this respect this provison is better than the Income-tax Act. As a matter of fact under the Income-tax Act the manner in which the joint Hindu family is taxed induces every man to disrupt the family. Every individual is allowed an exemption. In the case of each individual income is exempted to the extent of Rs. 3,000 whereas in the case of joint Hindu family the total amount of exemption is only Rs. 5.000.

Shri Tyagi: It is Rs. 3,600 in the case of individuals and Rs. 7,200 in the case of joint Hindu family.

Shri M. A. Ayyangar: So, twice as much. Let us take the case of a joint Hindu family where there are five members. If they are divided each one will get an exemption up to Rs. 3,600, whereas if they are treated as members of one family, the total exemption that the family would get is only Rs. 7,200. Therefore it is that we find that a number of bogus partitions are entered into in joint Hindu families for the purpose of evading income tax. The Income-tax authorities who go into the matter say: "This is only on paper that you have effected a partition: in fact you have not done so."

So far as the Hindu joint family is concerned, I believe it is an institution which even westerners may copy. Animals do not have a joint family. They are absolutely individualistic. It is only man who is a thinking animal that thinks of a joint family, where adults work and maintain the old parents and take care of the younger generation. This institution was developed as a decentralised form of Government. It is to the joint Hindu family that we should look up as the basis of a socialistic State. Persons who owe only lip-sympathy to a socialistic State, who are always indulging and preaching the doctrine of *laissez faire*, each man for himself.—they believe in individualistic life. It is only in Western society that I find that the parents are not cared for by the sons. The son as soon as he comes of age marries and goes away with his wife. The daughter marries and goes away. In the course of my recent travels I came across an amazing instance. When I was in a hotel, I met an old woman of 80 years who was living in the same hotel. I asked her how long she was living in that hotel and she said that she was there for about ten years. I asked her whether she had no children to which she replied: "Yes". I asked her "Have you no children?" She said "Yes, I have got a son and he is employed in Washington." Then I asked her "Why don't you live with him?" and she said "How can I live with my son?" It was a surprise to me that she could not live with her son. It was equally a surprise to her how she could live with her son. Novels have been written in western style that it is impossible for a daughter-in-law and mother-in-law to live together. We should reverse the process and say that they can. It is not merely money that matters but it is nursing and so on that count in our society. It is only in animal life that the mother does not recognize the daughter or son immediately after two or three years are over. So far as human society is concerned we must be prepared to tell our younger men that they should take charge of the older people and the younger generation and that they must work for the rest. *Ad nauseam* it is said on the floor of the House and outside that we are creating drones by way of junior members of the family. Unfortunately even to this day our Government has not been able to provide employment, guaranteed employment to everybody. The provision of either food or employment to every one is the first thing that any Government must stand for. It is not a thing of today but as early as the days of Raghuvamsa:

प्रजानां विनयाधानात् रक्षणात् भरणादपि।
स एव पितरस्तेषां केवलं जन्महेतव : ॥

[Shri M. A. Ayyangar]

I am glad that my hon. friend the Finance Minister is a good Sanskrit scholar and appreciates with his nods every single syllable of what I have uttered. It is not a welfare State of the conception of the western world, but our ancients conceived of a Government in the interests of the community as a whole and not for the purpose of governance. The King was the father. Of whom? Of the citizens. For what purpose? For three functions which every father discharges; educating the boy, protecting him, and (not merely protecting but) maintaining him also.

It is easy for the Government to say "we have saved the country from the ravages of wild animals and also onslaughts from the German or Russian or Japanese invader". That is not enough. A Government that cannot remove the hunger and starvation of its subject ought not to be in office for a single day. That is the conception. That is why they said:

प्रजानां विनयाधानात् रक्षणात् भरणादपि ।

That is, education, mantenance and protection, all these three are the functions of the parent. If all these functions are taken away by the king, then what remains for the parents? Let them dress themselves properly, dress the bed chamber and bring forth children. They said:

स एव पितरस्तेषां केवलं जन्महेतव :

That is, the parents of the boys or the citizens are merely (they said *kevalam* responsible for bringing the boys into existence. That ought to be the role of this Government. I expect that it ought to be so. And if the Government has not unfortunately been able to assure everybody of either employment or food—I am also a part of the Government because I am a part of the Governmental party—I am not able to envisage a day when I will be able to say with my hand on my heart: Every man here will be maintained; if he is able to work I will give him work; if he is not able to work I will maintain him. We have not reached that stage. Are we going to destroy the institution where adults will work and maintain the older people and the younger generation?

I would request the Finance Minister to be very chary in putting this measure into force so far as smaller joint Hindu families are concerned, joint Hindu families of middle class people.

I am sorry that he has not introduced the minimum limit, the exemption limit in this Bill itself. For two reasons I want this limit to be fixed in this Bill itself. In the first place, this is a new Bill. Everybody is terribly afraid of what the consequences may be, who will be affected and so on Therefore, to some extent, for a period of five years let us have a limit. Thereafter let us bring it before the House year after year.

There is no good comparing this with the Income-tax law. So far as the Income-tax income of an individual is concerned, once he starts paying Income-tax, so long as he is alive, year after year in the normal course he will try to get more and more income, and that has to be taxed. But this is a tax arising on the death of an individual. The same man does not die every year! If a man dies, his property is taxed. He must make provision for his children. The Govment does not take care of the subject from the cradle. If 90 per cent. of his property is taken away what will happen to his children?

The point I wish to make is that what happens this year may not happen the next To a large extent it is not the law or the imposition of a tax or the exemption limit but sometimes it is the demand of revenue that weighs with the Government more than social justice. Very often it is. Would we with respect to the future leave a number of minors not to be taken care of, by others or by the Government? It is not that they are unwilling, but with the best will on their part they have been unable to do it. With very great assiduity the Finance Minister has been able to avoid a deficit Budget. But it will be long before every individual in this country can look to the Government as his father and expect it to take charge of him from the cradle to the grave.

In the circumstances is it at all right that we should not provide a minimum limit in the Bill itself? After all the Finance Minister, of his own accord, may prescribe a limit. But if this is to be done by means of the Finance Bill are we to appeal later on to some other person not to decrease the minimum limit? I would therefore like to suggest to the House and to the Select Committee to impose a minimum here and now, and after a period of ten or seven or five years let the minimum be removed or modified for another period or thereafter from year to year let a minimum be prescribed. That is my suggestion to the Finance Minister and the House, so that, that kind of social structure may not be disturbed immediately.

Shri B. Das (Jaipur-Keonjhar): I agree for five years.

Shri M. A. Ayyangar: Otherwise, from a legal point of view I do not believe the joint Hindu family will be disrupted at all by this. Far from it. It will enable it to continue, because the share of a deceased member will be treated as the property of a separated individual, but *in fact* it will not be. To that extent it is different from the Income-tax Act, where unless he separates he will not get an exemption. There is thus a vital difference between the two. Therefore, from the point of view of disruption of the joint Hindu family I have absolutely no difficulty. It is not going to be disrupted. It will be continued if a different policy is adopted so far as this Bill is concerned, if middle class people are not taxed, if sufficient property is left to maintain their children after they pass away, if a minimum limit is imposed...

Dr. Lanka Sundaram: What will be your suggestion?

Shri M. A. Ayyangar: A lakh of rupees.

Mr. Speaker: I would like to tell hon. Members that, there are so many Members anxious to speak. If every speaker is going to be put all the doubts for answer, there will be no end. Let us agree that he is the last speaker; then I have no objection. (*Several Hon. Members*: No, no.) Therefore, these questions and expressions of opinions, whether they agree or differ and various other explanations and clarifications may be postponed.

Shri M. A. Ayyangar: I heard the remarks of one or two of my friends about sale of property, gift and so on. The sale of property is restricted. If there is going to be advance selling away of property, what is the good of passing this? There are clauses that in contemplation of death no sales can take place. The sales can take place, but they cannot be recognized so far as estate duty is concerned.

Some of our friends were too charitable with reference to other men's property. They want that charity is to be exempted. Sir, I am terribly afraid of the charity that rich men leave behind them in this country. Formerly "Krishnarpanam" was merely for love of God and for a charitable purpose they were giving it. Today a charity is for his own wife and children. This is clothed in a different manner. I thought of some Gadodia charity. When you go into it it is worse than an ordinary private business. I do not want to refer to any name. If a man is really charitable let him start being so. Why should he think of charity only when he dies? Within a period of two years or three years let him develop the idea of charity. It is one of the things on which Hindu Law or philosophy is based. I myself therefore think that to minimise the period from two years to one year is to have this legislation on paper, and not at all be effective. We know hundred ways in which this can be changed.

One of the friends says "what about a lady who brings a property? This ought not to be allowed to apply to *Stridhan*." But under the Act of 1937, widows have got a share in the husband's property. There seems to be unanimity of opinion that so far as that share is concerned, it ought not to be limited property but must become absolute property. Under the existing law it becomes *Stridhan* and the daughter gets Rs. ten lakhs merely because she is a woman. They want to be equal to men. Why do you want to make this difference? I am really surprised. Under our law, under our system, each man must be proud. Wherever I went in the Western countries each man, young and old, was anxious to know: "How do you like my country? Are you satisfied with myself? Is this not a beautiful country?" Our own misfortune is that we are disgusted with everything which belongs to us. It is a misfortune. Have we been dropped from heaven yesterday? We behave as if we have had no culture or no background. Why are we terribly afraid of every institution we have? I went to the Tower of London. Everywhere there is a story. Here King Henry VIII murdered the second wife to marry the third, murdered the third to marry the fourth I found in some other corner the story of two Princes, ten years old, who were murdered because the other man was anxious that he should get the property. How are we going to solve the problem? A king had a son about 21 years of age. He made *Pattabhishekam* for the younger son and retired to the forest. Where was the necessity for the younger man to

[Shri M. A. Ayyangar]

wait until the father's death? So it is apparent that as soon as the boy is born he gets a share along with others but in Western institutions the boy never gets a share so long as his father is alive. The temptation there is to kill the father. The temptation here is that a father should live long and earn till the last minute of his death. Notwithstanding that, for the purpose of social justice, we would like to make this law and adopt the Western institutions. We would not like to have it with such modifications that our culture dictates to us. This estate duty is not new to us. It is not merely because Western countries adopted this we must go in for this. *Manusmriti* says: "A Brahman ought not have more than two *mans*, a Kshatriya not more than six *mans*, a Vaishya not more than nine *mans*". Our ancients also found that money ought not to be the monoply of one body of people. I feel there is some imposition by the hon. Finance Minister. He is deep in our culture. He knows as much Sanskrit than any one of us has learnt. Under those circumstances he does it rightly in accordance with the ancient culture. I find the position in society depends in our country on the amount of sacrifice, on the way in which a man gives and takes. We have got beautiful things in our country. We are not proud of them. We are ashamed. If I put on a *tilak* people ask me. Why should I be ashamed? Why this kind of inferiority complex even after we have attained *Swaraj*? I told people in foreign countries: "You may be rich in money—we are rich in men. Come on, let us exchange both". This is in accordance with our culture. During the days of Dilip, one of the ancestors of Ramchandra in the Solar line, a fight arose in the country between a man who wanted to give more and a man who wanted to take less. This is our ancient culture. One young bachelor who had read 14 *Shastras* under his *Guru* told his *Guru* that he was taking leave of him and that he was prepared to give any *Gurudakshina*. The *Guru* said, "You are a bachelor, you have no property. Why do you want to pay?" The bachelor insisted upon paying something. The *Guru* said "Pay me 14 crores of *mohurs* because I had taught you all the 14 *Shastras*". Where could the poor bachelor get them? He straightaway ran to the King. The King, whoever came to him, used to receive him with a golden plate of *pan supari*, flowers and other things. The King took him to his treasury and counted the money. When 14 crores were counted the bachelor said, "Halt". The King said, "Take the rest. I am not going to allow you to leave a single coin. All this was brought for giving you." The disciple said, 'I am not going to take more from the King.' The King said, I am not going to utilise a pie of what I have got for your purposes, you will take away all the money.' Here is a man who wanted to give, wanting to give more and a man who wanted to take, wanting to take less. That is the culture that we have inherited. Therefore, unless the last man in the street is fed and clothed, I will not be satisfied. Let us not do away with our culture and copy the English culture. If the hon. Finance Minister comes forward with a social security measure, I would vote for him. Let us therefore, act like the bee, which the hon. Mr. Tyagi has been often; that is such the honey without making the flower fade.

Shri Karni Singhji (Bikaner-Churu): Sir, I would like to apologise for inflicting a maiden speech in this House. My anxiety has been to save the tax-payer's money, Rs. 80 per minute. Mr. C. D. Deshmukh, the hon. Finance Minister is a financial genius and it would be too much presumption on my part to presume and try to suggest something to him. But, Sir, there are a few observations which I would like to make, as this Bill is a very important measure. So many hon. Members have said that the Hindu Code Bill and the Estate Duty Bill will hit our culture. I fully endorse them. In principle I do not oppose this Bill. I am glad that the Centre has introduced this Bill and I hope that the Select Committee will go into this Bill in detail.

There is one thing however which I have noticed. Most of these eloquent speeches made here have not taken into consideration one thing. Nobody here seems to know what it means to be hit by this Bill. It is all abstract so far. In my case, I know something about the working of this Act. My father died two years ago in France, leaving a house there. It is now more than two years. I can neither occupy that house, nor can I even touch it. I think it will take another two years before this house could be released to me. Do we want that this condition should be applied to nine lakhs of people who are going to be affected by this Bill? Life is sufficiently complicated already. I wonder if it is wise that we should try to complicate our system still more? It would be better if we took up one thing at a time.

finish it and then go on to new measures. I do not think that we are anywhere nearing the solution of our problems although I am sure we have a past record of which we can be proud. I still feel that we require a little bit of time. Let us do first things first. We have the best Ministry in the world.

There are two aspects in this Bill: the financial aspect and the equal distribution of wealth aspect. As regards the financial aspect, I can understand the hon. Finance Minister's desire to introduce this Bill. But, may I suggest quite humbly that if an attempt is made to curtail the expenditure on governmental things, we may be able to save several crores of rupees. Crores of money is going down the drains, if I may humbly say so. Only if we make up our minds to try to control that, lots of money could be saved and thereby we would be saved from launching new experiments in this country.

As regards the equal distribution of wealth, there can be no two opinions. We have to wipe out poverty. But my humble submission is that we have to level up and not level down. Yesterday, Mr. Gadgil, Kakasaheb, said that the only time when a poor man gets into an automobile is when he meets with an accident.

Shri Gadgil: Not that. The only chance for him to travel in a motor car is when he meets with an accident and he is taken to the hospital.

Shri Karni Singhji: That is precisely the point. What I would like to say is; we should try that the poor people could afford to travel in a car as they do in America, rather than we should like to see that our Ministers should come in tongas. That is a wrong approach, in my opinion.

Dr. N. B. Khare (Gwalior): They are walking upon their heads.

Shri Karni Singhji: If the country decides that death duties are necessary, I have nothing more to say. I like to see that our Ministers should things. I admit that this Bill has been hanging fire for the last six years. But, this six or seven years is not much for a measure of this kind and if anything the Bill when first introduced must have been 20 years too early.

There is another aspect. As the hon. Finance Minister no doubt knows, since he has to come to grips with it, the more new measures we bring in the more will they lead to dishonesty and corruption automatically. That is the injury that will be caused by this Bill. Mr. Deputy-Speaker made a reference to Rajas and Maharajas. Incidentally, in this House, I represent the common man as much as any other hon. Member here. I would like to quote a passage from a speech of the late Sardar Patel, which runs thus:

> "I have been blamed that I am a friend of Rajas, Capitalists and Zamindar, but I claim to be a friend of labour and the poor as well. I cannot succumb to the prevalent fashion to pose as leaders or to attempt to gain leadership by abusing Princes, Capitalists etc. without rhyme or reason."

The Congress is a great organisation. I do not belong to the Congress. But, I admit that they have done great sacrifice for the country. Three years ago, I myself was congress-minded. Today, I am an independent.

Some Hon. Members: Tomorrow?

Shri Karni Singhji: God alone knows.

I will make an appeal to the hon. Members, that before this Bill is finally adopted, at least we should bear in mind all the points that I have mentioned. At least, let us go slow. Let us not try to run before we can walk.

श्री एम० बी० वैश्य - (अहमदाबाद-रक्षित—अनुसूचित जातियां):अध्यक्ष महोदय, मुझे इस मृत्यु कर के बारे में कुछ थोड़ी सी बातें इस हाउस के सामने कहनी हैं। मैं कल से हमारे विद्वान मित्रों की बातें सुन रहा था। हर एक ने अपने अपने ढंग से बहुत सी बातें यहां सुनाई हैं। कुछ दिन हुए मैं अपनी कांस्टीट्युऐंसी में घूम रहा था और जहां जहां मैं गया वहां हमारी कांग्रेस के नाम पर थोड़ी सी बातें मुझे सुननी पड़ीं। जब मैंने इस बिल की बात यहां पार्लियामेंट में सुनी तो मुझे यह लगा कि अब थोड़ी सी और अधिक बातें हम को सुननी पड़ेंगी। यह तो स्पष्ट है कि जिन के पास पूंजी ज्यादा है उन को अधिक से अधिक पंजी इस देश के हित के

[श्री एम० बी० वैश्य]

लिए देनी पड़ेगी और जो गरीब हैं और जो बड़ी मुसीबत से अपना गुजारा करते हैं उन पर यह कर नहीं लगेगा। लोग कहते हैं कि एक दफ़ा अगर यह मृत्यु कर की बात शुरू हो गई तो पता नहीं यह कहां जा कर ठहरेगी । इस की भी लोगों को चिन्ता है। गत साल से जब से मैं यहां आया हूं मैं देखता हूं कि जो हमारे वित्त मंत्री हैं और जिन का नाम चिन्तामणि देशमुख हैं, वह हर वक्त चिन्ता में रहते हैं । मैं देखता हूं कि और मंत्री तो कुछ मुस्कराते भी हैं लेकिन यह तो चिन्ता में ही लगे रहते हैं । जब मैंने यह सोचा कि यह चिन्ता में क्यों रहते हैं तो मुझे एक क़ाजी की छोटी सी बात याद आई । उस क़ाजी से पूछा गया कि क़ाजी जी आप क्यों ऐसे उदास रहते हो तो उन्होंने कहा कि क्या करें, सारे गांव की चिन्ता है । वैसे ही हमारे वित्त मंत्री जी को भी सारे देश की फ़िक्र लगी हुई है और इस कारण जब जब भी वह बोलते हैं तो "पैसा लाओ" इस के सिवा कुछ नहीं कहते। वह हमेशा पैसे की ही बात करते हैं। और जब पैसा लाओ यह बात होती है तो लोगों को भी यह लगता है कि कितने पैसे दें। हम जीवन भर तो देते हैं, अब मृत्यु के बाद भी इन्हों ने लेने की बात शुरू कर दी है कि मरने के बाद भी तुम को देना पड़ेगा ।

यह बात लोगों के लिये बड़ी मुश्किल की बात हो जायेगी, लेकिन हमारे वित्त मंत्री जी क्यों श्याम दिखाई पड़ते हैं, बादल जब समुद्र के पास जल याचना के लिये जाता है तो वह घनश्याम हो जाता है, उस का मुंह थोड़ा सा काला हो जाता है और इस तरह वह बादल समुद्र के पास से पानी ले कर सारे जहान पर पानी बरसाता है और ज़मीन को हरा भरा करता है। उसी प्रकार जो यह कर मांगा जा रहा है, वह इसी उद्देश्य से मांगा जा रहा है कि धनिकों से रुपया ले कर देश हित में सरकार उसे खर्च करेगी, यह ठीक है कि धनिकों की तादाद हमारे देश में बहुत कम है, लेकिन उन के पास धन बहुत काफ़ी है और हमारे धनिक भाई पुराने ज़माने में बड़े प्रेम से दान किया करते थे, लेकिन यह पश्चिमी सभ्यता की बलिहारी है कि जब से यह हमारे देश में आई, तब से दान देना वगैरह सब बन्द हो गया। गवर्नमेंट जो हमारी ट्रस्टी है, उस को यह ख्याल आया कि अगर वह जीवन में दान नहीं देते तो कम से कम आखिरी समय पर तो उन से कुछ रुपया निकलवा ही लें और वह धन सरकार द्वारा लोगों को समान स्थिति में रखने, उद्योग धन्धों आदि का विस्तार करने, अनाज आदि की स्थिति को सुधारने में, और बड़ी बड़ी कम्युनिटी प्राजेक्ट्स (Community Projects) में लगाया जाय, यह अति आवश्यक और वांछनीय है कि इस प्रकार एकत्र किया हुआ पैसा अच्छे अच्छे कामों में लगाया जाय और हमें आशा है कि ऐसा अवश्य होगा। लेकिन जिस तरह सरकार का खर्चा चलता है, उस से कुछ हैरानी होती है और कुछ समझ में नहीं आता कि किस तरह काम चलेगा। लोग कहते हैं कि यह खाता खुल गया और खाता खुलते ही बड़े बड़े अफसर मौज उड़ाते हैं और अन्धाधुन्ध खर्चा होता है, लेकिन जब छंटनी करने की बात आती है और खर्चा कम करना होता है तो हाथी का मण लेने की अपेक्षा कीड़ी समान चपरासी और छोटे छोटे क्लर्क्स आदि ही खत्म किये जाते हैं और मोटी तनख्वाह वाले अफसरान सरकार में बने रहते हैं और उन पर कोई छंटनी का असर नहीं पड़ता, अफसर जो हाथी समान हैं और जिन को

मण मिलता है, उन से मण नहीं लिया जाता। लेकिन इस सब के होते हुए भी मैं कांग्रेस गवर्नमेंट को इस प्रकार का बिल लाने के लिए बधाई देता हूं और यह कर देश हित के वास्ते लगाया जा रहा है। हमारा देश जो भारतवर्ष कहा जाता था, उस में ३३ करोड़ देवता निवास करते थे, और अब तो हम विभाजन के बाद ३६ करोड़ हो गये हैं, लेकिन वास्तव में हम आज वह देवता नहीं रह गये। भगवान् से यही प्रार्थना है कि हमारे देश के रहने वाले निवासी पहले के समान देवता बनें। इस के साथ साथ हमारी गवर्नमेंट भी उस के अनुरुप बने। केवल गवर्नमेंट पर ही भरोसा कर के बैठ रहना कि वह उद्धार करे उचित नहीं है, हर एक भाई को अपना पुरुषार्थ करना चाहिये और इस के लिए जितना हो सके कोशिश करना चाहिये। यह सोच कर बैठ रहना कि हमारा देश तो धनकुबेर है, सब ठीक हो जायेगा, बहुत बड़ी ग़लती होगी।

इस बिल में एक बात बहुत आवश्यक है और उसी की तरफ ध्यान दिलाने के लिए मैं खड़ा हुआ हूं। जब लोग यह पढ़ेंगे कि यह तो मृत्यु पर भी कर लगाया जा रहा है, और मरना सब को ही है, तो ग़रीब और सामान्य स्थिति वाले लोग भी इस के लिये सरकार को गालियां देना शुरू कर देंगे।

[MR. DEPUTY-SPEAKER *in the Chair*]

हमारे वित्त मंत्री ने अभी तक यह तो निश्चित किया नहीं है कि इतनी प्रोपरटी (Property) वालों पर यह टैक्स लगेगा, उस से नीचे पर नहीं लगेगा। तो ऐसी हालत में हमारे देश के ८० फ़ी सदी लोग जो देहातों में रहते हैं और जिन की जीविका खेती बाड़ी पर निर्भर है, और लैंडलैस लेबरर्स (Landless Labourers) हैं, उन के मन में भी यह बात खटकेगी कि क्या मालूम हम पर भी यह कर न लग जाय और जैसी कि हमारी गुजराती में कहावत है कि सरकार चाहे तो सिर के बीच में रास्ता कर सकती है और वह डरते हैं कि शायद हमारे भी सिर के बीच में सरकार रास्ता न बना दे। मुझे पूरा यक़ीन है कि हमा वित्त मंत्री जी और त्यागी जी जो उन के साथी हैं, जिन्होंने अपनी बुद्धिमत्ता से गत साल करोड़ों रुपया छिपा हुआ निकलवाया और अब तो उन दोनों को गुजरात के एक अनुभवी बनिये भाई का भी सहयोग प्राप्त हो गया है और वह भी उन के साथ हैं, यह त्रिमूर्ति ब्रम्हा, विष्णु, महेश की हमारे देश को आगे बढ़ाने के लिए प्रयत्न करे और हम लोग भी इस देश की उन्नति करने के लिये और आगे बढ़ाने के लिये जितना भी सहयोग दे सकें, अवश्य दें, और मेरी प्रार्थना है कि भगवान हम सब को सदबुद्धि दे। अभी हमारे डिप्टी स्पीकर साहब ने हम को बताया कि दूसरे देशों मे वहां के निवासी किस तरह अपने देश के लिए अभिमान का भाव रखते हैं। हमारे देश के पर्वत ऐसे हैं, नदियां ऐसी हैं और हमारे देश के लोग ऐसे हैं। लेकिन दुर्भाग्यवश हमारे वहां वह चीज नहीं है, जब हमारा देश गुलाम था और अंग्रेज़ों के अधीन था, तब तो हम सब भारतवासी कन्धे से कन्धा लगा कर लड़े, जिये और मरे, लेकिन अब आज़ादी आ जाने के बाद हम में वह संगठन और एक्का दिखाई नहीं पड़ता, सब अलग अलग दिशाओं में जा रहे हैं। एक वृद्ध पुरुष ने यह पूछे जाने पर कि देश में कितनी इज़्म्स (isms) हैं, मुझे बतलाया कि भाई और कोई वाद नहीं है, सिर्फ़ एक स्वार्थवाद हमारे देश में विद्यमान है। इस के अलावा और कोई वाद हमारे देश में नहीं है। यह स्वार्थवाद पहले हम भारतवासियों में नाममात्र को भी नहीं था। अगर यह स्वार्थवाद हम में से, हमारे जो गवर्नमेंट अफसर्स हैं, सरकारी कर्मचारी हैं, उन के अन्दर से हट जाय तो यह भारतवर्ष फिर

[श्री एम० बी० वैश्य]

पहले जमाने का भारत हो जाये जहां कि लोग दूर दूर से विद्या अध्ययन आदि के लिये आते थे, और फिर वह अपनी खोई हुई महिमा प्राप्त कर ले, तो सलफता हमारी है लेकिन इस के लिए क्या बड़े और क्या छोटे सब को प्रयत्नशील होना पड़ेगा। उसी भावना के साथ देश के सब लोगों को काम करना होगा जैसा कि अभी हमारे एक महाराजा साहब ने कहा कि वह कुछ दिन हुए महाराजा थे, लेकिन अब सब के साथ हो गये, उसी भावना के साथ जिस को लेकर हम ने आज़ादी की लड़ाई लड़ी इस देश की उन्नति में सब लग जायें, तो निश्चित है कि हमारा देश उन्नतिशील होगा। मैं वित्त मंत्री जी जो यह इस्टेट-डयूटी बिल (Estate Duty Bill) लाये हैं, उस का हार्दिक समर्थन करता हूं। इस मनुष्य के अवतार में हम कुछ नहीं कर पाये, तो फिर किस जिन्दगी में हम कुछ कर पायेंगे। एक गुजराती कवि ने इस सम्बन्ध में ठीक ही कहा है :

मरु पर मागु नहीं अपने स्वार्थ काज़,
परमारथ के कारणे मागु मूकी लाज।

लिहाज़ा देश उद्धार के वास्ते अगर यह बिल वित्त मंत्री जी ला रहे हैं, तो इस में मांगने से कोई लज्जा की बात नहीं है। चाहे इस के विरुद्ध कितनी ही टीका टिप्पणियां क्यों न हों, जब यह कर देश के हित के लिये लगाया जा रहा है तो यह उचित है कि हम सब मिल कर काम करें और उस के साथ साथ अपने जो मुख्तलिफ़ इज़्म्स और वाद हैं उन को देश के हित का ख्याल रखते हुए दूर रक्खें और सब इस देश की भलाई के काम में लग जायें। आप ने मुझे जो समय दिया उस के लिये मैं आप का बड़ी आभारी हूं।

4 P.M.

Shri S. S. More: Sir, I rise to heartily congratulate the Congress Government for introducing this measure. Hearty support from me to the Congress Government may be a rare phenomenon. I particularly congratulate the Finance Minister on taking courage into both hands and introducing this measure at the earliest time. I believe that the Congress long ago promised that political freedom shall ripen into economic freedom. That was part of the preamble of the Karachi resolution, and this is a belated and faint-hearted attempt to implement that particular part of the Karachi resolution. Though belated, I welcome it and I believe and hope that the Finance Minister will proceed further and give a statutory form to the present measure. In 1948 a similar measure was referred to a Select Committee and that Select Committee had submitted a report also to Parliament, but it is said that under the pressure of work, it was allowed to lapse. I have a shrewd suspicion that it was not pressure of work that made it lapse, but it was the pressure of some vested interest, which was responsible for killing that measure at that time. So when this Bill is introduced at this particular stage, I have got my own misgivings about the fate of this measure. Still I do proceed with the optimism that the Finance Minister, who is hard pressed for money, will do his best to convert this particular Bill into a statute.

I do not propose to speak on the merits of the Bill, so many useful suggestions have been made, and I do believe that the Select Committee will take into account these views and give its deepest consideration to the useful suggestions that have been advanced. But I view this measure from a lawyer's point of view. This is a Bill which if made a statute will leavy estate duty on different propertied persons who will leave no stone unturned to get it thrashed out in courts of law; possibly then the Supreme Court will be called upon to adjudicate whether it is a legal measure or not. So I propose to put some posers to the Finance Minister. I have got my own doubts about the legal position, but I am mentioning these to him not with a view to putting a sort of impediment in his way but to give him an early opportunity to make it as legal as possible. If there be some impediment or if there be some legal lacuna, he could get them removed as early as possible.

The first question that I should like to ask the Finance Minister is: Will this levy be applicable to the property of the Princes, to the property of the

so-called ex-rulers. Under the definition that has been given to us, in article 366 (22) a "ruler" has been defined, and a certain privy purse has been allotted to him. This ex-ruler will have two sorts of property, one, the privy purse, and the other the private property which he owned when he was ruler of that particular State. What will be the fate of this private property? As far as the privy purse is concerned, I invite the attention of the hon. Finance Minister to articles 291 and 362. Article 362 reads:

> "In the exercise of the power of Parliament or of the Legislature of a State to make laws or in the exercise of the executive power of the Union or of a State, due regard shall be had to the guarantee or assurance given under any such covenant or agreement as is referred to in clause (1) of article 291 with respect to the personal rights, privileges and dignities of the Ruler of an Indian State."

Then article 291 (1) reads:

> "Where under any convenant or agreement entered into by the Ruler of any Indian State before the commencement of this Constitution, the payment of any sums, free of tax, has been guaranteed or assured by the Government of the Dominion of India to any Ruler of such State as privy purse—
>
> (a) such sums shall be charged on, and paid out of, the Consolidated Fund of India; and
>
> (b) the sums so paid to any Ruler shall be exempt from all taxes on income."

Shri Tyagi: It is only tax on income.

Shri S. S. More: I do anticipate that sort of argument from the other side, but whether it will be legally valid is the question that you have to apply your mind to. The wording used in the Constitution is: "shall be exempt from all taxes on income". Mr. Tyagi may say that this is an estate duty and so it is not a tax on income, that it is a tax on capital. If it is a tax on capital, it will not come under this article. But along with this you will have to read the different covenants and agreements which have been entered into by the Government of India. I shall quote for the information of this House, from the White Paper on Indian States, which has been published by the Government of India in 1950. On page 125 some extracts from Sardar Patel's speeches have been given, and para 239 reads:

> "Under the terms of the covenants and agreements of merger, the privy purses of the Rulers are to be free from all taxation"

The words used are not only tax on income but from all taxation. Then the contradictory statement follows:

> "The exemption in respect of taxation applies only to the amounts of privy purses and does not extend to any other income of the Rulers of the income of the members of their families."

I want now to distinguish between the two properties, and classify them into different categories. As far as the privy purse is concerned, it is a large sum—I need not mention the actual figures—the fat sums—which have been allotted as privy purses—which will be inherited and will go to the successor of the present Ruler..

Mr. Deputy-Speaker: What is meant by inheritance of a privy purse? It is something like a pension that will be given to the other also. It is not an estate which devolves on death.

Shri S. S. More: I may differ from you, Sir, and I would say that the privy purse is a sort of commutation; instead of giving a lump sum, it is converted into a sort of annuity. If it is an annuity, it will have to be treated as an estate, because even in this Estate Duty Bill, in clause 6 it is laid down:

> "Property which the deceased was at the time of his death competent to dispose of shall be deemed to pass on his death."

So I take this particular view. I do not say that my view is absolutely cent. per cent. correct, but it will have to be explored into, by the Finance Minister. I know he is out casting his net as far wide as possible, and I wish him luck and a bumper catch, but if there are some weak threads, and big whales are to escape, then it will be no use catching some small fish here and there, and it is therefore that I am trying to point this out to the Finance Minister. If we read the Constitutional guarantee given in this particular article together with the definite statement that I have read out from the White Paper, it appears that privy purse is guaranteed immunity from all sorts of taxation.

Shri P. C. Bose (Manbhum North): Not after death.

Shri S. S. More: It will be a matter for argument. That is why I say that

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the Select Committee should particularly go into its legal aspect. And if there are any legal flaws, giving rise to a lumber crop of litigation at different stages, it will be our worthwhile to remove all of them. It is no use arguing on the basis of certain assumptions, and that is why I am bringing this to the notice of the hon. Minister.

Now again the Princes have been allowed by the Covenants and the Agreements that have been entered into to enjoy all the properties, the private properties, which they had at the time of entering into these Covenants or Agreements of merger. What is going to be the fate of these properties? Are they immune from taxation? Or will they be liable to taxation which the Central Government or the State Government may choose to impose on such property or properties of similar sort? I do fear, Sir, that there is a guarantee: all those rights and privileges which they enjoyed prior to the merger have been guaranteed. And prior to the merger they were sovereigns in their own State and immune from all taxation. If this right of sovereignty goes on without any affection, then it would imply that their private property will also not be liable to any taxation imposed by any State. And that is what has been mentioned, Sir.......

Mr. Deputy-Speaker: From article 362 does it not appear that unless, having due regard to article 291, there is an exemption *prima facie*, all laws passed either by Parliament or by the State Legislatures are binding upon all people including the ex-Rulers?

Shri S. S. More: Sir, article 362....

Mr. Deputy-Speaker: Parliament and the State Legislatures shall have due regard.......

Shri S. S. More: Parliament and State Assemblies are cautioned that in passing legislation they should not tread upon the guarantees which have been given to the Rulers. This is what has been said, Sir. These are the limits which have been set to the authority of Parliament and the State Legislatures to legislate. With your permission, Sir, I may read......

Mr. Deputy-Speaker: It is only a question of interpretation of 'having due regard'. If perchance Parliament ignores those things, does the hon. Member mean to say that to that extent Parliamentary legislation will be void?

Shri S. S. More: I cannot assume what the Supreme Court will hold, but looking to the trend of the different decisions, Sir, if Parliament consciously does a particular thing then it will be all right because Parliament is a sovereign body and it can do or undo anything except making a man woman or a woman a man. But if unconsciously, Sir,—unwittingly—it passes any legislation without taking into consideration the effect of article 362, then possibly the Supreme Court or the Judges may come to a different conclusion and they would say: "Well, Parliament has not applied its mind to this article 362; the broad bounds set to its authority have not been cleared", and therefore the particular legislation may be treated as illegal legislation. That is my difficulty. So I would request the hon. the Finance Minister and the Select Committee, if necessary, to go into the legal aspect of this matter and apply their minds to it: What is the effect of the guarantees given? Does the sovereignty which has been guaranteed confer any immunity from taxation? Does this mean that this immunity will be also extended into the future and this Parliament or any State Legislature cannot bring down under any Acts the property, the huge and colossal properties of the Princes? These are very pertinent questions the legal aspects of which have to be thoroughly gone into.

There is another legal difficulty which is rather worrying me. Now the Finance Minister in his opening speech said that under article 252 certain States which are mentioned in the Schedule have passed Resolutions. Why Resolutions, Sir? Under List I, the powers of the Union Government are mentioned and item 87 refers to imposing estate duty on property other than agricultural land. Then under List II, Sir, item 48 says that the State Government may impose estate duty on property which is agricultural. Then, I believe Sir, the Finance Minister went on to say that we shall distribute the proceeds of this income under article 269......

Mr. Deputy-Speaker: So far as agricultural land is concerned, it is delegated authority.

Shri S. S. More: In this context, Sir, I would refer you to article 268. The marginal note says: 'Duties levied by the Union but collected and appropriated by the State'. The duties mentioned under article 268 will be levied by the Union, but they will be collected and appropriated by the States. The Union Government will not get any share; the State Governments are the beneficiaries. Then under article 269 it says: "The following duties and taxes.......

Mr. Deputy-Speaker: What are the items of duties under article 268?

Shri S. S. More: Stamp and other fees. I am referring to 269 because I feel that article 269 is more relevant for the present purpose—the point which I raised. "The following duties and taxes shall be levied and collected by the Government of India but shall be assigned to the States in the manner provided in clause (2)". And sub-clause (b) says: "estate duty in respect of property other than agricultural land". I am not in a position to understand what exactly this particular sub-clause means, that is, estate duty in respect of property other than agricultural land, that is, estate duty levied on non-agricultural property shall be levied and collected by the Government of the Union but it shall be assigned to the States.

Mr. Deputy-Speaker: Yes.

Shri S. S. More: It means that as far as agricultural property is concerned.......

Mr. Deputy-Speaker: It belongs to them. There is no question of assignment. What I understand....

Shri S. S. More: I will make myself clear, Sir, with your permission. As far as agricultural land is concerned, under item 48 of List II it is entirely within the power of the States to impose estate duty and appropriate the proceeds for themselves—I believe I am correct in that. Then this item 87 of List I permits the Union Government to impose a sort of levy on non-agricultural property. But even this levy on non-agricultural property will have to be assigned, if we read article 269, to the States. So I wonder even when we impose this duty, whether any share will be coming to our lot or whether we are only to impose the levy, collect it and then assign it to the States. Shall we have any fund for the Central Budget? No. So then my difficulty is this. We are financing undertakings, certain planning measures, certain development schemes. What is the quarter from which we shall be getting the necessary funds? I believe, Sir, that if the State Governments are to get not only the proceeds recovered from agricultural land, but also, by way of assignment, proceeds from non-agricultural property, then the Union Government becomes a sort of a collecting agent and nothing more.

Shri C. D. Deshmukh: Regulating agent.

Shri S. S. More: If you try to be regulating agents then the question of prohibition and other squanderings will have to be considered by the Central Government because you are developing so many schemes, you are forging five year plans and six year plans. If all these plans are to be undertaken funds are essential. If any Provincial Government is undertaking any utopian scheme of its own and squandering crores of rupees, are you going to place even these proceeds levied by the Estate Duty in the hands of that very Government and give it another opportunity to squander further colossal amounts? That is the point. Of course, the constitutional and legal position has been admitted by the Finance Minister. But if you are out to regulate then you must show that you are out to regulate for all intents and purposes. Just as the Government has to govern, the regulating authority must regulate for all intents and purposes without paying any heed to the words of any Provincial Minister, because there are States where the Chief Ministers have been threatening that if prohibition is touched they would go. Let them go; let them go if the income is to remain which is useful for different schemes. These are the different points that I wanted to urge.

Then I would like to make a few remarks. Mr. Gadgil was very eloquent, and I do support the arguments that he advanced. I do agree with him that the gateway through which power, position and all those things enter must be demolished as early as possible and for that purpose I would have expected a more revolutionary measure from the present Government. But looking at the past experience of the present government I am not so optimistic. We have to allow some time. Private property may exist; we cannot do away with one stroke of the pen all private property. Private property can remain but without any inheritance. There cannot be any inheritance without private property but

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there can be private property without inheritance. And that was what was known to our *rishis*, Manu and Yagnavalkya. They allowed widows to have property but they created a sort of limited interest in the property. The moment the widow died the property reverted to somebody else. So I have no objection if the financiers have the right to acquire property but let them have only a limited interest in the property and the State will be the residuary reversioner. The moment the acquirer dies let the property go back to the reversioner, in the form of my hon. friend Mr. C. D. Deshmukh, representing the Union Government. That sort of widow's interest should be given. But I think it will be too revolutionary a suggestion at this juncture. I know Mr. Deshmukh is proceeding very cautiously and cleverly.

Mr. Deputy-Speaker: It is another way of saying that the Estate Duty shall be cent. per cent. of the property. That is all. Why should they unfortunately be called 'widows' also? Let them lose property.

Shri S. S. More: My submission is that all along we have tried to be hard towards females who happen to be widows and if we have to lead the widow's life then we shall realise how badly we have treated them for ages. (*Laughter*)

So that is my arugment, Sir, and I do support the Finance Minister, though he does not rise to my expectations—it is difficult for him because he is gripped by particular circumstances under a particular system and with all the best intentions on his part it will become difficult for him to get out of the bureaucratic rut—but whatever he is doing is something good and therefore I support him.

Shri Gadgil: He himself being one he knows how to do it.

Shri S. S. More: I therefore support the present measure not only on principle as some of the supporters have said. On principle they were supporting, but so far as the different items were concerned they were opposing. I am not supporting that way. I am supporting it on principle and I am also supporting all major particulars of this measure, but I only request him that the points I have raised may be considered by him. With these words I accord my support to this Bill

Shri N. Sreekantan Nair (Quilon *cum* Mavelikkara): Sir, I also rise to support this Bill in its principles. I support the principle involved in this Bill but not whole-heartedly or unreservedly. I do not see very much to be elated over it and I do not consider this Bill as a very radical or revolutionary measure. Of course, I beg to differ from the hon. Finance Minister when he contends that the Bill is a positive step, in reducing the inequalities of modern society. I find that it is only a negative step. There is nothing done to raise the standard of living of the common man and if any attempt is made to lower the inequalities it is only a negative step.

As to the contention of my learned friend Mr. Gadgil that this is a frontal attack on private property, I will only say that it is empty propaganda and nothing else. Sir, if we are to say that this is a frontal attack on private property then certainly we have to admit that in England which introduced this measure as early as 1894, there should be no private property. If he says that it is a radical or a socialistic measure we will have to admit that U.S.A. has been a socialist country as early as 1916, that Ceylon has been a socialistic country as early as 1919, and that even our neighbour Pakistan has been a socialistic State for the last three years. We know, as a matter of fact, that America, England and other countries have not only increased their wealth but they have also increased the number of their millionaires. Hence to say that it is a radical or a revolutionary or socialistic measure is quite wrong. Nor can we believe that it is going to usher in any form of socialism. If a socialist society has to be introduced we have to cut at the very root of private property, and private ownership of the means of production and distribution has to be eliminated *in toto*. Let us be very honest about this. Estate duty is a capitalistic measure which is followed by all modern capitalistic countries. It was not, of course, introduced up till now in India. Why? Because our imperialist masters wanted to keep the feudal and religious interests in India, intact. Now that some of those vested interests have been eliminated, now that the Rajahs and Maharajahs have been converted into capitalists so that they may strengthen the capitalist order in this country, this measure could be introduced safely. The Provincial Governments are also eliminated to a very great extent by the threttling grip of the Centre on the States. The Centre is of course assuming more and more power and the States are becoming more and more municipalities concerned with local administration of some sort or other so that such measures even though they are intended to help the States, will meet with certain objections. So far as my State of Travancore-Cochin is concerned, Sir, the people there have been rather very suspicious of this measure; not because we feel that it is reactionary but because we feel that a portion of the assets may be taken over by the Centre. Now that this matter has been cleared up as a result of the point raised by my hon. and learned friend, comrade More, I feel that there may not be much objection in our State of Travancore-Cochin to support this measure. But as has been pointed out by the hon. comrade More, it is absolutely necessary that this House should place some checks on the plans envisaged and worked out by the States. So far as the plans and schemes conducted by the State of Travancore-Cochin is concerned, as one who knows the ins and outs of the same, I can say that money is not only wasted, but it runs out in several ways of corruption which is rampant. Of course, I do not wish to dilate on the inner secrets of the State but it is a known fact that it is not all right. Just a few days ago a no-confidence motion had been tabled in the local Legislature of the State regarding the corruption that is prevailing in the State, even among the Ministers.

Shri A. M. Thomas (Ernakulam): What happened?

Shri N. Sreekantan Nair: It has been defeated by a narrow majority. (*Interruption*) But the allegation stands. I was not prosecuted. I was asked to file a suit against the Minister.

Shri Achuthan (Crangannur): What about your sister?

Shri N. Sreekantan Nair: I am not she; I am not a female. I am a male, a stalwart.

Mr. Deputy-Speaker: The hon. Member will kindly address the Chair.

Shri N. Sreekantan Nair: I have been asked to explain.

Mr. Deputy-Speaker: You may explain addressing the Chair.

Shri N. Sreekantan Nair: Coming to some of the internal aspects of the working of this Act, the penalty specified in clause 18(2) is not sufficient. The limit should be raised and a more rigorous punishment—say imprisonment—has to be imposed if the Government is actually desirous of getting correct information.

Another aspect is the provision of two years. I completely endorse the opinion of the learned Deputy-Speaker on this point. Even this provision, which is said to be very stringent, will defeat the purpose of this Bill because any wealthy man can assign a major portion of his wealth to his sons, relatives or dependents, and naturally he will escape the duty. So, the provision of two years may be increased, or this time-limit may be altogether abolished. The argument that it is based on the U. K. Acts of 1894 and 1910 does not appeal to me, because I think there was a later amendment and the period is now five years.

I have also got a limit to suggest, namely, if the deed of settlement involves only amounts less than Rs. 1000 then they need not come under taxation, but if they be above Rs. 1000 then irrespective of the time-limit the tax should be imposed.

Another point has been raised that this Bill does not specify the rate of duty. Personally, I think it is very wrong to revise the rate every year. That will lead to an unsettled state of affairs not only in the economic but even in the mental and psychological spheres. So, it is better to fix it and fix it high enough. If he so likes, the Finance Minister may put in a lower rate for the first five years and a higher rate in later years, but this provision should be incorporated in the Bill itself.

As regards clause 32 relating to exemptions, reductions and other modifications, the provision is vague and dangerous. I am speaking in the interests of the Ministers themselves. All sorts of interests will be rushing to the Ministers with a plea for exemption or reduction or other modification. We are all human and Ministers are also human. This provision is therefore likely to lead to misuse and it may also lead to misinterpretations, because people may say that the Government are utilising this provision for their party purposes. To avoid all

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these difficulties, it is better to specify the conditions by which reduction and other modifications can be effected.

Then, I wish to refer to the extraordinary powers given to the Controller and the Board. Under clauses 35, 39, 40, 41, 46, 52, 56, 61(4), 63 and 64, the Controller has got almost dictatorial powers. From the experience in this country, we have to infer that this will lead to rank bureaucracy and corruption. After all, the Controller is an officer of the State and some check has to be imposed on his powers. The Board is given a blank cheque under clause 68(3) to release the whole or any part of any property in such circumstances and on such conditions as it thinks fit. Here also, I suggest that instead of giving a blank cheque to the Board, we may lay down the conditions. Otherwise, the bureaucracy which has been a bane in our national life in the past will endanger the working of this Act.

Regarding some of the points raised in this House, I did not actually understand why insurance should be exempted. A Member said that by paying Rs. ten to the insurance agent, he wanted his children to get Rs. one lakh. If on his own admission he dies in this House of Parliament, his children would be entitled to get only Rs. 10,000. Therefore, by his paying Rs. ten only, why should they be entitled to receive Rs. one lakh? I do not think that insurance should be exempted from the purview of this Bill.

To sum up, the principles governing the allotment of revenue to the various States should be specified. Any deed of settlement involving an amount more than Rs. 1000 should be subjected to the duty. The penalty for withholding information should be raised and it should include imprisonment, rigorous or simple. The rate of duty must be specified in the Bill. The conditions for reductions, exemptions and modifications must be specified. The dictatorial powers given to the Controller and the Board should be watered down. Last but not the least, the funds should be specifically earmarked for some social security schemes. And if the Government wants funds urgently for development purposes, then—although as a trade unionist I would say that social security schemes are more important—as a citizen I am prepared to concede that these funds may be utilised for development purposes, provided Government are prepared to use them for building up heavy industries in this country. For nothing else should these funds be utilised, because nothing else catches the imagination of the people. The so-called schemes and plans of the Planning Commission as they are executed today do not enthuse the people. They do not inculcate in the people a faith that their condition is going to be bettered. In the end, I request the hon. Finance Minister to consider some of the suggestions that I have placed before the House.

Prof. Agarwal (Wardha): Sir, I take this opportunity of welcoming this important measure and congratulating the Finance Minister in piloting it with speed and firmness. It is true that the measure is not so revolutionary as it has been painted to be. In fact, estate duties are as old as the hills. In history we find that as far back as the first or the second century B. C. such duties in some form or another were prevalent in the Roman Empire. In India also they are not so new and they were discussed even in the 19th century. In Europe even in the 14th century in many of the Italian towns estate duties existed and by the 17th century most of the European countries had this duty. Therefore, I do not regard this as revolutionary or unique in any sense and it is only but right that an overdue measure of this kind was introduced by the Finance Minister at this time.

We also have to realise that a legislative measure like this is not enough. It is no use feeling that this serves the purpose of effecting economic equality in this country. At the same time we have to realise that a measure like this marks an important milestone in the annals of Indian taxation and while we appreciate it and welcome the measure we have also to think that this is only the first of the many measures that must follow. If econnomic equality is to be effective, if it is to be brought into reality, many more far-reaching reforms will have to be introduced. The problem of unemployment and under-employment, the problem of eradictating poverty and ill-health in this country, all this will require what I call structural changes. Mere conventional planning will not do and I cannot think that estate duty which exists today in most of the capitalist countries indicates any structural change, although it is certainly a very welcome step.

So far as the richer classes of people are concerned— including the Maharajas—I would earnestly appeal to them not to look at this measure with any suspicion or to regard this as an inopportune time. I think it is perhaps late and overdue and to ask for any further postponement or even to agitate for its postponement is not in keeping with the times. Mahatma Gandhi, whom we regard as the apostle of non-violence, was very clear on this point that if we have to bring about economic equality in an orderly and peaceful fashion, the richer classes of people have to read the signs of the times. They have to be read to abdicate riches voluntarily: otherwise it is very difficult to expect that in times to come people will face inequalities without any violent upheavals. Let me quote a few sentences from Gandhiji's constructive programme that he laid before the nation before we got our freedom. He said:

> "A non-violent system of Government is clearly an impossibility so long as the wide gulf between the rich and the hungry millions persists. A violent and bloody revolution is a certainty one day unless there is voluntary abdication of riches."

Now, a measure of this type, as I said, is not revolutionary in any sense of the word and if our richer sections of the people do not take it with grace and still grudge simple measures like this which are prevalent in all major countries except India, it will not create the psychological atmosphere for a peaceful and bloodless revolution which Gandhiji visualised.

We know that the Congress has done away with the princely order. We have also liquidated landlordism. But we want further land reforms. Now, one argument is how can we have far-reaching land reforms without touching the other section of the population, that is to say the multi-millionaires, the businessmen, the merchants and the industrialists? Now this measure begins that other onward march in the other sector. We have to touch all sections of people if we claim to go towards a welfare State or towards a State which claims to do economic justice.

I have been listening to the debate and also have been listening to various criticisms outside the House about this duty. One thing I would like to underline and emphasise, as some other speakers have also emphasised, and that is the atmosphere of uncertainty about the measure. There are many people who have been, for their own political ends partly—I do not say wholly—trying to carry a sort of whispering campaign that the Congress Government has been taking people out during life-time and is now out to tax them even after death. Now, certainly there is nothing in the Bill itself which gives any clue to such suspicion, but I would also join some other Members in the suggestion that either it should be incorporated in the Bill itself or the Finance Minister on the floor of this House should make an unequivocal declaration that in any case this Bill is not meant to touch people below Rs. one lakh as it was provided for in the previous Bill. I think it is very essential in order to nip in the bud the very harmful and very mischievous campaign which is going on throughout the country.

As regards the Hindu Code, I do not understand how people go on saying, as it was also suggested in the last Select Committee in 1948, that unless the Hindu Code is passed this Bill should not be passed because it touches several legal aspects. When the Hindu Code comes the same friends tell us: 'Oh, this is impossible; this is discriminatory; this is unconstitutional'. So the vicious circle goes on and any talk of trying to relate this to the Hindu Code is to me entirely meaningless.

As regards the suggestions made, I would draw the attention of this House to a very important suggestion that was made by you, Sir, in the afternoon and that is that when we talk with many people who will be touched by this legislation they say: "Oh, what does it matter. We are entering into legal partition even before this measure comes. There is a tendency among the moneyed people to partition their riches in so far as their ancestral self-acquired properties are concerned, which will perhaps not be covered by all the provisions of this measure. There may be this source of evasion as well as unnecessary breaking up of the joint family system which we all hold dear. I am also one of those who think that the joint Hindu family system is unique and it is a natural and elastic form of social security trying to cover unemployment. A system like that should not be disturbed merely because some provisions of the Bill are defective, and I would request the Finance Minister to see that any type of evasion by some sort of partition between the sons or brothers is not permitted.

So far as gifts are concerned, especially gifts *mortis cause*. that is to say gifts which people in contemplation of death make at the eleventh

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hour, I personally think that there ought to be some provision for recognising really genuine charitable gifts. If necessary, we can make some provision that the specific object of the gift ought to be for educational or some other developmental purposes. For example, gifts merely for a temple or for a *dharamsala*, or some outdated form of charity, need not be recognised. But gifts which are in conformity with the Five Year Plan, which people want to make willingly and voluntarily ought to be recognized. If necessary a special Act may be brought for regulating charities. Such Acts are very common in foreign countries. We should have such Acts to control and regulate voluntary charities made by people at the time of death.

Lastly, I would draw the attention of the House and the Government —there is no use overlooking it—to the fact that at the present time there is an atmosphere in the country which feels that there is not enough austerity in our economy which ought to be there at the time of launching the Five-Year Plan. In fact one of the main handicaps why the draft outline of the Five-Year Plan has not been able to arouse the real and spontaneous enthusiasm of the people is that the people are not sure that every pie that will be spent will be spent rightly and economically. I would therefore urge with all the earnestness at my command that such Acts like the Estate Duty Bill ought to be followed up by some sort of real, visible austerity drive in the country. Unless there is a psychological atmosphere created which will give an assurance to the people, which will create a sort of confidence in them that every pie that is spent is being spent wisely and correctly, such measures will not arouse the same enthusiasm in the people as they should.

As a Member of the Public Accounts Committee I would also say— because it is a very important Committee of this House—that I do not find that there is the same effective parliamentary control over governmental expenditure as obtains in some countries like the United Kingdom. We have to attend to all this if we really want that our Five-Year Plan for which we are finding these different sources of revenue, should really fructify and be fulfilled.

Some references have been made to the policy of prohibition. I am very sorry that a matter like this is dragged into all sorts of debates. I would only say this that while we look to the loss of revenue on account of prohibition we should not overlook the real salient good that it does to the millions of people, to the millions of poor families and wives who now tell us that their lives are happier, that their husbands are able to save money for the welfare of their children and their home. We forget all this and merely calculate the rupees, annas, pies that we have lost through excise. When we talk about these things in Parliament—and it is quoted outside— it creates a very wrong impression and puts the various Governments that are going ahead with this very important social reform in an embarrassing situation.

I would once again welcome this measure as the beginning of many more better things to come, and I hope that this measure will receive the unanimous support of all sections of the House.

Shri Raghuramaiah (Tenali): Sir, I have very great pleasure in supporting the basic principles of this measure. I do not think any one in this House has so far said anything against those principles. Only one of my friends on that side called it a capitalist measure. I do not know whether he meant it in a complimentary sense or in derogatory sense. But I would tell him this that this is one of the finest self-denying measures that capitalism has set upon itself. Sixty years ago it happened in England, and we in this country should have, as was pointed out by Prof. Agarwal, adopted it years ago. At any rate it is to the credit of our Finance Minister that he has not lost any further time in bringing a measure of this nature. I would, however, place a few suggestions for the consideration of the Finance Minister and the Select Committee.

One of them relates to the specification of the minimum limit of exemption in the Act itself. Many Members have already suggested it and I have some additional reasons why such a limit should be set. I recollect the Finance Minister having said the other day—as reported in the press—that the fixation of a minimum limit is not usual in an enabling measure of this nature and that it is usually done in the Finance Acts. That may be so. But here in this country the point of time when this measure has come up before the public is rather significant.

Take for instance agricultural land. While on the one hand there are reports about the limitation of estates and in Provinces like Madras there are reports about the contemplated increase of assessment on agricultural land, this thing comes as the last straw on the camel's back. I know personally as a number of people have come to me for advice as to what they should do, whether they should partition, and loving fathers who cannot of course contemplate the idea of a physical death are willing for the purpose of avoiding the tax to die a civic death even before the measure comes into force! They know that one day they have to give their property to their sons and they say, "why not we do it at once?" Apart from the question of fragmentation of holdings which one Member on the other side pointed out, I am afraid the absence of an exemption limit in a Bill of this nature at this juncture is going to pauperize loving fathers and is going to place such fathers not only at the mercy of their sons—that may not be so bad—but at the mercy of daughters-in-law!

It is very necessary, therefore, that the exemption limit should be specified in the Act itself. After all, what difference does it make? Even the Finance Bill has to come before Parliament and we have to consider where the axe has to fall. It is much better, therefore, at any rate for the time being, that the exemption limit is specified in the Act itself.

It is not the intention of this Parliament to disrupt the joint Hindu family system. But the immediate effect of a vague, uncertain measure of this nature is exactly to achieve that result.

There is one other complication which the Select Committee, I hope, will no doubt consider. It has already been adverted to by Dr Mookerjee, and that is its effect on the joint Hindu family system. Suppose there are four brothers who are members of a co-parcenary and one of them dies. Naturally the interest of the deceased co-parcener will fall to the share of the surviving brothers. Suppose they pay the tax, and a year later another brother is born. They would have paid the tax on a property which they are not getting in its entirety. At any rate, that is a problem which I hope the Select Committee will take into account.

As regards gifts before death, we have fixed in the Bill a period of two years. I do not know on what basis we have arrived at the figure two. Even in England it has not always been two. It was sometimes five years, sometimes three, and originally it was one year. Now, somebody has suggested one year. I would ask with great respect: why even one year? What we want is only a rough and ready method of defining the *bona-fides* of a transaction, the presumption being that if a certain period has intervened it must be a *bona fide* transaction. Then why not six months? We have not scientifically developed to that extent that we can find out when we are going to die. A man cannot know whether he is going to die in two years, one year or in one day. When a measure of this nature is being brought up for the first time I suggest that we should make it as less inconvenient as is humanly possible.

There is one other very important point which I would respectfully submit for the consideration of the Finance Minister and the Select Committeee. All gifts made within a period of two years before death will be taxable—that is the present provision. Suppose a man makes a settlement to his daughter in contemplation or in consideration of marriage. Suppose he dies within two years of that. What is to happen? Is it taxable? Even in the English law you will find that a specific relief is given and an exemption is made in the case of property settled in contemplation or consideration of marriage. In a country like ours—at any rate we have not yet come to a stage when the Hindu Code Bill has become an Act and women's equality of rights has been recognized—where most of the daughters are dependent on the dowry or the monetary help from the father, at a stage like this I think the least we can do is to follow the British provisions and give exemption in the case of gifts made for daughters or sisters in consideration or contemplation of marriage, and the period of two years should not at all apply to such gifts.

In the case of agricultural property also I have got a suggestion to make. It is amazing to find in the Bill that we have not got any relief or concession or consideration shown to agricultural property. Even in England a different rate of taxation prevails in respect of agricultural property and non-agricultural property. The British Finance Act of 1926, while increasing the rates in respect of non-agricultural property, left the prevailing low rates on agricultural property intact. It is not as if a fifty-acre man suddenly becomes a hundred-acre man by speculation. Speculation is rife in business. But in land what happens is that if a man has ten acres it gets divided into two acres each where he leaves five sons and the holdings are reduced further as their children go on dividing it. It is therefore proper that a decidedly lower rate should be

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charged in the case of agricultural property and not the same rate as in the case of non-agricultural property.

In regard to insurance premium somebody said "You pay ten rupees and you get a lakh of rupees; why not you pay the full tax; in fact you should pay more". Well, I wish it is true we pay ten rupees and get a lakh of rupees! Then the insurance companies would all be bankrupt. In fact what really happens is that many of us pay many times over we get—the principal amount by way of premia plus the interest. So long as people do not die before paying the full premium there is a huge profit to the insurance company. The point is in this country where insurance is in its infant state this will deal a deathblow to insurance. Some concession should be shown in the interest of encouraging insurance in this country.

I do not know whether the Finance Minister has considered this aspect—at any rate it is for him and the Select Committee to consider—that Succession Duty, to the extent the property becomes liable to Estate Duty, should be abolished. Under the British Act Succession and Probate Duties ceased to the extent that the estate becomes liable to the payment of Estate Duty. If that is not done, it would be very hard and it would amount to double taxation which is opposed to all canons of taxation.

There is only one other point. I agree with Prof. Agarwal that nothing should be said on the floor of this House which will affect the fine work done in some of the States in respect of prohibition. But I happen to come from one of the States where I wish a common man and his family would come and say to me: we have all given up drink, we are happy. I am sorry to say this, but I feel it my duty to say that so far as Madras is concerned. and particularly Andhra Pradesh, prohibition has been a miserable failure. In fact, in my own village I know personally there is an increase in the drink evil and it has become a 'cottage industry'. Corruption has increased. There is corruption everywhere and the respect of the public towards the administration is crumbling, and I am afraid will crumble further. I am not saying: scrap prohibition. But when the Centre undertakes a measure of this nature to enable the States to plan and to contribute towards planning, it is the duty of the Centre to see that the money is properly utilised and that existing sources of taxation are not frittered away. In the papers I saw the other day that a Committee is going to be appointed which will go into this question of prohibition. I hope, Sir, the terms of that Committee will be wide enough to enable it to examine not only as to how prohibition can be further enforced, but in States where it has already been enforced, as to how far it has been effective and in case it is not effective, to recommend the scrapping of the measure which has not benefited the public and which has made such an inroad into the public exchequer.

The House then adjourned till a Quarter to Eleven of the Clock on Monday, the 10th November, 1952.